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**European Football Clubs in the
Chinese Market: Strategies to
Exploit the Potential of the
Middle Kingdom**

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前言

本论文的题目是《欧洲足球俱乐部对中国市场潜力的开发战略》。

本文是在中国进行了一年多的实地调研后撰写的。因此，它的结构与内容是作者直接体验与理论研究相结合的产物。

本文出现和发展的原因有很多。

首先，作者对主题投入的热情代表了论文主题的出发点和推动其完成的动力。的确，这个研究项目是作者的学术训练和个人兴趣之间结合的结果。第一个因素是读中国的语言、文化、社会、经济和制度的研究。第二个因素则涉及到对足球俱乐部的经济、管理和社会文化方面的研究。尽管跟足球有关的知识并没有在学术领域获得关注，但它们是长期和持续的个人工作经验累积而成的结果。

其次，在学术方面，此项研究试图对现有文献中观察到的两个重大漏洞作出回应：第一个漏洞是指缺乏一种方法来强化欧足球洲俱乐部在中国的运营与中国足球体系的文化、社会、政治、经济和历史方面之间的主要关系；第二个原因是缺乏对外国俱乐部开发中国市场所采用的核心战略的全面分析。

最后，此项研究被视为带有双重目标研究道路的开端。一方面是在该领域中更深入的个人参与；另一方面，定义了处理中国足球业务的创新方法以及对现有方法的改进。

由于自身所有的特点，本文的研究对象既包括从事足球运动的人士，也包括首次接触中国足球世界的读者。

为了了解欧洲足球俱乐部和中国之间的联系，读者需要了解现代世界足球的一个基本特征。

在过去的 40 年中，欧洲职业足球的经济发展以前所未有的速度进行着。大型足球俱乐部现已成为跨国公司，其业务范围已远远超出了体育领域。

在当今的欧洲足球体系内，足球俱乐部被要求在几乎自负盈亏的模式下运营，商业活动在提供基本财源方面是非常重要的。由于这种财源的加强，足球俱乐部而能够维持或增强足球场内外的竞争。

按照这种逻辑，当今的足球俱乐部会越来越依赖并寻求商业收入来支持其业务，这并非巧合，因为它们代表了主要的收入来源之一，并且具有巨大的增长潜力。

中国目前在全球足球界的崛起完全符合这种情况。

“中国足球梦”的启动以及随之而来的政府政策在习近平主席的监督下为外国俱乐部提供了前所未有的机会。的确，中国庞大的人口和不断壮大的中产阶级所拥有的强大财政实力使中国成为世界上最具吸引力的市场之一。

因此，进入中国市场的欧洲俱乐部数量在不断增加。但是，甚至在中国足球新时代开始之前，其中一些俱乐部就已经尝试过与当地球迷展开互动，同时也取得了积极或消极的成绩。标记成功与失败之间差异的因素通常与中国足球世界背后复杂的动力有关。因此，理解其独特的文化，社会、政治、经济和历史方面成为所有愿意在中国境内开展业务的实体的基本要求。

这项研究的广泛目的是为读者提供从商业角度研究中国足球所需的基本知识。这是通过对两个不同阶段（相当于两个章节）进行详细阐述的过程来实现的。

第一个描述了从起源到今天的整个中国足球商业生态系统，突出并讨论了它的主要特征。

第二个则分析了欧洲足球俱乐部多年来在中国开展的相关活动。重点放在其前提、功能和如何实现上。在整个研究过程中，不同工作方法的优点、缺点和创新受到了高度重视。对实际案例的研究始终遵循理论方法。

为了提供涵盖每个主题的全面视图，该研究结合了历史重建、社会学方法、政治、文化和商业见解以及定量数据。

所有这些都是跨越多个信息来源的结果。它们包括传记、市场报告、新闻文章、业务预测、纪录片、访谈和官方政府文件。

研究的路径不可避免地会受到作者的观点和在该领域中积累的经验的影响。

为了更好地说明论文的结构并提供有关其内容的更多具体信息，下文将提供两个章节的概述。

第一章分为三段，涉及对理解中国足球商业环境具有重要意义的主题。

第一段标题为“中国现代足球简史”，涵盖了国内联赛从职业化开始的演变，与球迷的关系及其商业开发等方面的主题。它的定义是使国家队的表现对于中国足球体系极为重要的动力，最后描述了中国由于与国际足联重新建立的“友谊”而在国际上所获得的中心地位。

第二段重点介绍了促使习近平发起“中国足球梦”的经济，社会和政治问题。从 2015 年至今发布的主要政府计划概述（其中包括具体目标）得到了补充。

第三段着重从社会人口学角度分析了中国足球消费者的特征。性别、婚姻状况、年龄、受教育程度、收入水平和消费行为都是考虑在内的一些变量。

第二章实地关注了欧洲足球俱乐部在中国采用的市场进入模式。第二章讨论六个主题，这些包括：培训院校和基层足球、在中国进行的促销行、电子竞技、社交媒体和与球迷互动，中国足球运动员的签约以及中国足球俱乐部的所有权。每一个段的特点取决于主题的专业性。

最后，论文的结论显示了从研究过程中获得的最重要的结果。尽管有限，但它们能够为读者提供了解中国足球和欧洲足球俱乐部在中国经商的动力的新工具。

自然而然，继本篇论文之后，关于中国足球商务，仍有许多待探讨的话题，比如怎样定义它的新型发展形式，以及如何优化现有的形式。可是，也有可能设想更为雄心勃勃的目标。第一个是指起草一项同时涉及不同市场进入模式的综合战略。第二个是指根据中国人口和地理区域的具体分布来定义欧洲足球俱乐部的战略。

INTRODUCTION

During the last forty years, the economic evolution of European professional football has proceeded at a pace never experienced before. Major football clubs have now become global multi-business companies whose scope extends far beyond the sports field.

In the contemporary football era, which formally requires clubs to operate under nearly self-financing schemes, commercial activities take on great importance in providing fundamental resources. The same resources clubs eventually deploy in order to maintain or enhance competitiveness, both on and off the football pitch.

In this logic, it is no coincidence that today's clubs increasingly rely on and seek commercial revenue streams to support their business, as they represent one of the main sources of income and possess enormous growth potential.

The recent rise of China in the global football arena perfectly fits this situation.

The launching of the “Chinese Football Dream” and the consequent governmental policies issued under the supervision of president Xi Jinping offer unprecedented opportunities for foreign players. Indeed, China’s huge population and the great financial power of its growing middle class make the country one of the world’s most attractive markets.

For this reason, the number of European clubs approaching the Chinese market is constantly increasing. However, even before the opening of the new era of Chinese football, some of them had already tried to engage with local fans, recording both positive and negative results. The factors marking the difference between success or failure most often relate to the complex dynamics underlying the Chinese football world. Thus, the comprehension of its unique cultural, social, political, economic and historical aspects becomes a fundamental requirement for all the entities willing to operate within Chinese boundaries.

The broader purpose of this study refers to providing the reader with the fundamental knowledge needed to approach Chinese football from a business perspective. This is achieved through a process articulated in two different phases, equivalent to two chapters.

The first one describes the Chinese football business ecosystem as a whole, from its origins to today. Its main characteristics are highlighted and discussed.

The second one analyzes the most relevant operations carried out by European football clubs in China over the years. The emphasis is placed on their premises, features, and implementation. Strengths, weaknesses and innovations of the different working methods are

given great importance throughout the entire research. A theoretical approach is always followed by practical case studies.

To provide a comprehensive view of each topic covered, the study combines historical reconstructions, sociological approaches, political, cultural and business insights as well as quantitative data.

All of these are the results of the crossing of several sources of information. They include biographies, market reports, press articles, essays, business forecasts, documentaries, interviews, and official government documents.

The research path is inevitably influenced by the author's opinions and by the experience cultivated in the field. These become explicit when specific content is believed to benefit from a subjective interpretation.

Several reasons led to the creation and development of this thesis.

The author's passion for the theme represents its starting point and the fuel that made its completion possible.

On the academic side, this research is an attempt to respond to two significant holes observed in the available literature: the first one refers to the absence of an approach willing to highlight the crucial relationship between European clubs' operations in China and the cultural, social, political, economic, and historical traits of the Chinese domestic football system; the second one relates to the lack of a comprehensive analysis of the most significant strategies adopted by foreign clubs to exploit the Chinese market.

Lastly, the research is seen as the beginning of a path whose goal is twofold. On the one hand is a deeper, personal involvement in the field; on the other the definition of innovative ways to deal with the football business in China as well as the improvement of the existing ones.

To provide a better explanation of the thesis layout and offer more specific information about its content, an overview of the two chapters' structure is provided below.

The first chapter is divided into three paragraphs addressing topics deemed to be highly significant for the understanding of the Chinese football business environment.

The first paragraph, entitled "a brief history of modern Chinese football", covers subjects as the evolution of the domestic league from its professionalization onwards, its relationship with the fans and its commercial exploitation. It continues with the definition of the dynamics that make the national team performances extremely important for the Chinese football

system and ends with a description of the centrality acquired by the PRC in the international arena thanks to its renewed “friendship” with FIFA.

The second paragraph highlights the economic, social and political issues motivating the launch of President Xi’s “Chinese Football Dream”. These are complemented by the overview of the main governmental plans published from 2015 to date, specific targets included. They represent the practical tools through which Xi’s vision is put into practice.

The third paragraph focuses on the characteristics of the Chinese football consumers, analyzed from a socio-demographic point of view. Gender, marital status, age, educational background, income levels and spending behaviour are just some of the variables taken into consideration.

The second chapter pragmatically concentrates on the market entry modes adopted by European clubs in China. Training academies and grassroots football, promotional tours, e-sports, social-media and communication, the signing of Chinese football players and Chinese football club ownership are all dedicated a customized paragraph, whose features depend on the peculiarities of the topic.

CHAPTER 1

THE CHINESE FOOTBALL BUSINESS ENVIRONMENT

The first chapter aims to provide the reader with an overview of the Chinese football business environment in its cultural, social, political, economic and historical aspects. Undoubtedly, in China more than elsewhere, the combination of these apparently self-standing fields give rise to the context in which Chinese and foreign entities develop and execute strategies and business activities.

It is of utmost importance for the external viewer to acquire at least a general understanding of the causes and the dynamics that lie at the core of the rapid-changing Chinese football world. Otherwise, it would be almost impossible to detect the common principles underlying the different players' decisions, resulting in a frustrating sense of confusion and bewilderment. For these reasons, the first chapter proposes three topics regarded as highly significant: a brief history of modern Chinese football; president Xi's vision and the governmental plans; an introduction to the characteristics of the Chinese football consumers.

1.1 A BRIEF HISTORY OF MODERN CHINESE FOOTBALL

The Chinese Football League

The following introduction to the domestic professional league has been included in the research work because of three reasons: the Chinese audience passion for football changes and assumes different forms and demonstrations over time according to the situation of the national league and the national team, which are considered to be strictly interconnected; the various reforms and revolutions implemented by the governing bodies are an effective indicator of the political attitude towards football and the society. In a country like China, this must always be kept in high consideration; as China rises in the global scenario, the Chinese football movement itself may become a source of interests for the whole football world, influencing the foreign players' opportunities in the field and their approach to the business.

In December 1978, the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party gave its full support to the major transformation backed by leader Deng

Xiaoping, whose intention was to reverse the traditional relationship between ideology and wealth, placing the latter at the heart of the Chinese Society. The enormous change underway first laid the foundations for the professionalization of Chinese sports. Indeed, it is during the early eighties that athletes and members of the coaching staff started being rewarded and motivated by various incentives, including cash prizes and consumer goods¹.

Following several years of testing and development, the “reform and opening-up” plan intended to give birth to a socialist market economy was officially approved at the Third Plenary Session of the 14th Central Committee, held in Beijing in November 1993². The ongoing huge comprehensive revolution ultimately implied the overall reform of the national sports system, football in particular.

Prior to the implementation of the “reform and opening-up” proceedings, the central state dedicated body, the Chinese Sports Ministry, used to control the national sports system at all levels. As in other communist realities, the aim of the sports practice was totally elitist, being national empowerment and representation the ultimate goals of any athlete’s career path³. This also applied to football: each province and municipality had its own team which was to participate in the league organized by the Chinese Football Association (CFA). Every year two or three tournaments were played in different host locations. The state used to cover the total amount of the teams’ expenses and the organisational costs.

Particularly relevant is the fact that, during the period, the league’s matches were for the most part played in absence of fans and spectators, except for a variable number of local enthusiasts.

As frequently happened throughout the history of Chinese Football, the reform process was set in motion by one of the multiple failures of the men’s national team: the defeat suffered at the hands of South Korea during the Olympic qualifying session in January 1992 and the consequent exclusion from the summer event held in Barcelona persuaded President Jiang Zemin to contact Sports Minister Wu Shaozu calling for a long-term development plan.

The lively debate aroused between the conservative and the more progressive members of the CFA resulted in the prevailing of the market-orientation supportive faction. Delegations were

¹ BAGOZZI, Marco and BISCEGLIA, Andrea, *Storia del calcio cinese, dalle origini ai giorni nostri*, Torino, Bradipolibri Editore, 2017.

² VOGEL, Ezra F., *Deng Xiaoping and the transformation of China*, Cambridge (USA), Harvard University Press, 2011.

³ SIMONS, Rowan, *Bamboo Goalposts: one man’s quest to teach the People’s Republic of China to love football*, Basingstoke (UK), Pan Macmillan, 2008.

sent to Europe to learn about the German, Italian, Danish and Dutch systems in matter of professional and youth leagues, training of coaches and referees⁴.

The 1994 debut season was an unquestionable success: 20.000 people on average attended the matches of the newborn Division One A League. Totally, more than 2 million spectators were attracted to stadiums. In 1996 the number reached 3.2 million⁵.

Thanks to the excellent development of the League, football became more and more popular: recreational and professional clubs began popping up around the country. The same holds true for football schools which before the end of the nineties counted more than 4.000 units⁶. During the period, an increasingly high number of people chose to spend their weekends attending professional football matches. Football fans association spread all over the country: football was becoming part of the people's weekly life.

Precisely when Chinese football seemed to have taken the right path, the major issues affecting the domestic movement started coming to light.

First came the disappointment with the men's national team performance on the international arena: in the year and a half between March 1996 and October 1997 China failed to qualify for the Atlanta Olympics; suffered harsh losses by Japan and Saudi Arabia in the Asian Cup, missing the semi-finals, and, more importantly, was defeated by Qatar during the World Cup qualifiers, meaning that Team Dragon was not going to France in the summer of 1998. When, a year later, China missed again the access to the 2000 Sidney Olympics, both the CFA and the League were put under tremendous pressure.

To make matters worse, the gap between the common people's and the professional players' salaries was becoming bigger year by year. During the 80's, prior to the foundation of the Division One A League, the annual income of a provincial level athlete was on the same level as most of other professional workers: around \$163. In 1993, it almost doubled (\$326). In 1994, following the introduction of the professional league, players were earning \$1630-2445 per year. By the early 2000's, the average income for a football player made it to \$81.000-98.000, while the highest-earning superstars were bringing home something like \$800.000 a year. Given the poor performance on the international stage, people started calling into question players and their privileged status. Nothing strange, considering that during the 90's

⁴ FAN, Hong and LU Zhouxiang, "The Professionalization and Commercialisation of Football in China (1993-2013)", *The International Journal of the History of sports*, 30, 14, 2013, pp. 1637-1654.

⁵ Ibid.

⁶ Ibid.

the average annual income in urban areas did not reach \$980, while rural areas residents had to settle for \$326⁷.

The players' enrichment, by the way, was not followed by the improvement of the matches quality. While the Division One A could be considered a success in terms of attendance, the Clubs' executives failed to draw efficient long-term development plans, both because of lack of will and managerial skills. Many owners had taken part in the football business attracted by political recognition and economic benefits. The youth training academies set up by the few self-sufficient Clubs

combined the worst of the East European and South American models and were later taken out of their control by the kindly Education Ministry. Well-meaning thought that organization may have been, it knew nothing about football and was not linked to all the other parts that make up the football pyramid⁸.

The same “profit logic” was at the basis of the rampant corruption that was hitting the league system since the late 90’s. Two press reports in 1997 and 1998 highlighted the seriousness of the situation: different clubs had bribed CFA officials, referees and counterparts to ease their victories in definitely unclear matches. Emblematic was the “Sui Bo incident”: during a post-match press conference the head coach of Shanxi Guoli FC, a Division One B League formation, openly accused his team of illegal conduct. Answering a journalist question, he even indentified his player Sui Bo as major culprit⁹.

Events like this kept happening until 2010, when the juridical intervention of the Chinese government really addressed the bribery plague¹⁰.

However, before Chinese football had been freed from its credibility issues, fans had still to experience a lot.

In 2002, the national team finally gained access to the first World Cup of its history. Coach Velibor “Bora” Milutinovic led Team Dragon through the qualifiers, made easier by the absence of Japan and South Korea. Asia’s best equipped contenders directly entered the final stage of the competition as host nations.

⁷ Ivi

⁸ SIMONS, Rowan, *Op .Cit.*

⁹ FAN, Hong and LU Zhouxiang, *Op. Cit.*

¹⁰ YANG, Shuo; LENG, Tangyun and ZHENG, Fang, *An economic history of Professional Soccer in China: 1994-2016.*

https://www.researchgate.net/publication/310037292_An_economic_history_of_Chinese_football_1994_-2016., 26-04-2019.

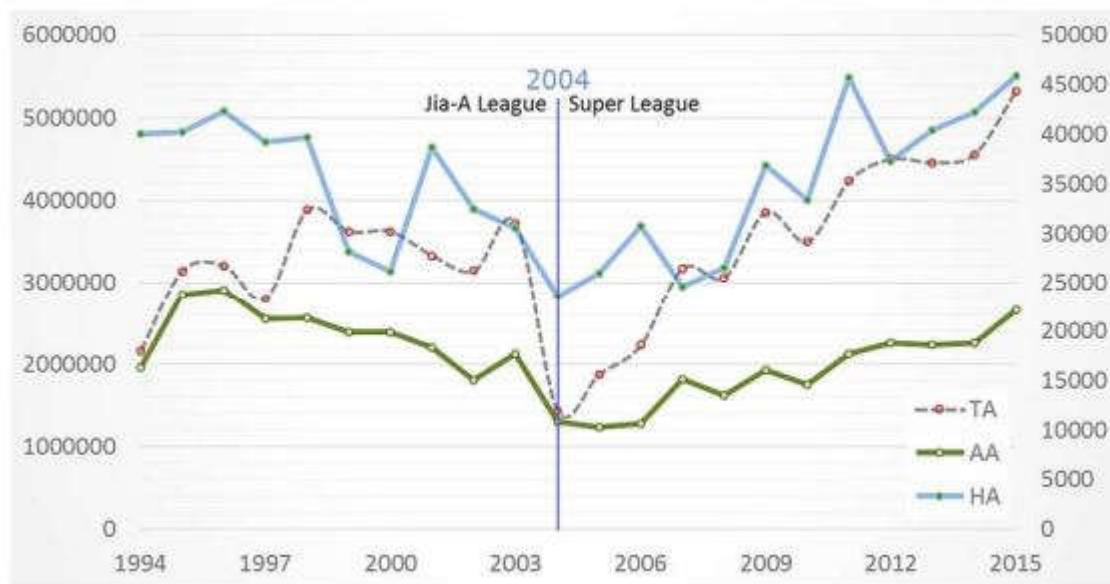
To help the selected players improving their performance before the international kermesse, the CFA had incredibly decided to cancel all the eventual promotions and relegations in seasons 2001 and 2002. Despite this, China concluded the summer event registering three losses in three games against Brazil, Turkey and Costa Rica, being unable to score a single goal. Nevertheless, the sole participation was perceived back home as a signal of the renaissance of the national movement¹¹.

Once again, the positive momentum did not last long. The structural issues affecting the health of the league became graver by the day.

In 2003, following the repeated suspicious events occurred during the years, the league finally, completely lost its appeal: supporters, media, sponsors all left the field. Chinese football fell into its darkest period.

Figure 1: Attendance of Chinese Division One A/Super League 1994-2015.

TA: Total attendance; AA: Average attendance; HA: Highest home match average attendance.
(Source: YANG, Shuo; LENG, Tangyun and ZHENG, Fang, *Op. Cit.*)



In 2002, the CFA began to properly acknowledge the seriousness of the situation. During the same year, a new reform plan was launched. After a two-years long preparation, in 2004 the Chinese Super League (CSL) officially replaced the Division One A League as the highest Chinese Football professional championship¹².

¹¹ BAGOZZI, Marco and BISCEGLIA, Andrea, *Op. Cit.*

¹² XINHUA News Agency, *Rethink the reform of Chinese football*, April 2, 2013, <http://www.china.com.cn/chinese/SPORT-c/187263.htm>, 27-04-2019.

Despite the attempt to provide the reborn league with a more regulated and lawful environment, public opinion felt that no major changes have occurred after the reforming process. Fans did not come back to fill the stadia and the football market itself continued its stupefying downward slide.

In 2005, many players saw their salaries being cut or temporary “freezed” as a consequence of the clubs’ precarious financial conditions. Regardless of the tragic circumstances, corruption, match fixing and gambling related phenomena continued to appear on the league’s scene¹³.

Things began to be seriously addressed only in 2009, just a year later the Beijing Summer Olympics. The cleaning process of Chinese football kicked off when the Ministry of Public Security launched an anti-corruption, anti-gambling campaign. During the following two years, hundreds of people were interrogated and eventually arrested. CFA’s three high officials, including its in charge vice-president; the manager of the Chinese Super League Company (CSLC), established in 2006 to serve the commercial interests of the league and clubs, and China’s most famous referee were just a few of the great personalities brought to justice by the investigation¹⁴.

Thanks to the massive public impact and the resounding success achieved by the cleaning process, in 2011 Chinese Football seemed able to reverse the negative trend: slowly, fans rediscovered the pleasure of attending a professional football match, while clubs finally overcame their financial difficulties, cashing essential revenues from retrieved sponsors and investors.

July 2011 represents a turning point in the history of both the Chinese Super League and the whole national movement yet for another major reason: during a meeting with a foreign guest, the General Communist Party Secretary then in charge, Xi Jinping, would firstly mention his “Chinese Football Dream”¹⁵.

The huge consequences of Xi’s statement, thought and policies on the Chinese football industry will be further investigated in the following paragraph.

As far as the top professional league is concerned, they introduced large-scale changes.

The clearest indicator of the renewed atmosphere consists in the annual increase of Chinese Clubs’ expenditures, mostly devoted to the purchase of foreign football talents.

¹³ FAN, Hong and LU Zhouxiang, *Op. Cit.*

¹⁴ Ibid.

¹⁵ SUN, Baojie 孙葆洁; LI, Jianqiao 李剑桥 and LIU, Zhu 刘柱, 中国足球产业与文化发展报告 *Zhongguo zuqiu chanye yu wenhua fazhan baogao* (Report on China’s football industry and culture development), Beijing, Qinghua Daxue chubanshe, 2019.

The constant growth on investments attracted an high number of foreign coaches and players. In one of the CSL most significant transfer of all time, Guangzhou Evergrande brought Fluminense's attacking midfielder Dario Conca to Guangdong for a remarkable transfer fee of 6 million Euros¹⁶: the Argentinian led the way in the early successes of the team. The "Guangdong Tigers" would eventually be able to win two Asian Football Confederation (AFC) Champions Leagues and seven CSL titles in an equivalent number of seasons.

In 2012, it was the turn of Shanghai Shenhua, who put under contract two world-class stars the likes of Didier Drogba and Nicolas Anelka, yet to be considered in the advanced stages of their careers.

From the 2013 season onwards, Chinese clubs targeted players of various nature, ranging from young South-America prospects to well-established athletes belonging to European championships contenders.

Table 1: Chinese Super League most significant incoming transfers 2013-2018 (Source: TRANSFERMARKET Website)

Player	Position	Nationality	Acquiring club	Transfer Fee (Market Value at the time) - € mln.
Season 2013				
Vagner Love	Forward		SD Luneng	12 (12)
Alessandro Diamanti	Second striker		GZ Evergrande	7,5 (8)
Season 2014				
Ricardo Goulart	Second striker		GZ Evergrande	15 (11)
Alan	Forward		GZ Evergrande	11,1 (4)
Diego Tardelli	Forward		SD Luneng	5,5 (3,5)
Season 2015				
Alex Texeira	Attacking midfield		JS Suning	50 (30)
Jackson Martinez	Forward		GZ Evergrande	42 (30)
Ramires	Central midfield		JS Suning	28 (25)
Elkeson	Forward		SIPG	18,5 (4,5)
Season 2016				
Oscar	Attacking midfield		SIPG	60 (35)
Hulk	Winger		SIPG	55,80 (32)
Odion Ighalo	Forward		CC Yatai	23,3 (12)
Axel Witsel	Central midfield		TJ Quanjian	20 (20)
Alexandre Pato	Forward		TJ Quanjian	18 (6)
Graziano Pellè	Forward		SD Luneng	15,25 (11)
Season 2017				
Cédric Bakambu	Forward		BJ Guoan	40 (25)
Yannick Carrasco	Winger		DL Yifang	10,5 (40)
Carlos Tevez	Second striker		SH Shenhua	10,5 (8,5)

¹⁶ TRANSFERMARKET, <https://www.transfermarkt.com/dario-conca/profil/spieler/53877>, 15-05-2019.

Season 2018				
Paulinho	Central midfield		GZ Evergrande	42 (38)
Marek Hamsik	Central midfield		DL Yifang	20 (30)
Anthony Modeste	Forward		TJ Tianhai	29 (16)
Talisca	Attacking midfield		GZ Evergrande	19,2 (25)

It is during the 2015 winter transfer window¹⁷ that the football world realized the Chinese clubs' financial power. During the period, investments dedicated to the purchase of players reached a staggering 85 million Euros: just two million less than what was spent in the German Bundesliga. English Premier League clubs allocated 120 million¹⁸.

Season 2016 represented a further acceleration of the trend in action. The sole Shanghai SIPG channelled around 120 million Euros to bring to Shanghai Oscar and Hulk, respectively from Chelsea FC and Zenit FC. In the cases of both, we are talking about athletes at the peak of their careers, regularly appearing in the starting line-ups of two clubs constantly participating in the European competitions organized by the Union of European Football Associations (UEFA).

Influential figures as former Juventus FC and Chelsea FC manager Antonio Conte were led to consider the huge Chinese purchasing power as a threat to the global football system:

The Chinese market is a danger for all, for all teams of the world, not only for Chelsea but for all teams in the world. But I think we must concentrate on our work, not think that that in China there is a lot of money and they can arrive to take players here¹⁹.

Even if the Italian coach perspective may be biased by his own feelings about the departure of a key player, it accurately reflects both the growing consideration and the attitude towards Chinese football in Europe.

As easily observable from the table, the majority of the transfers occurred over the course of the 2015, 2016 seasons implied fees by far greater than the real value of the player acquired. Again, this demonstrates how the political inclination towards the development of the Chinese football drives clubs owners' behaviours: prior to the efficiency of the operations undertaken

¹⁷ The Chinese Super League, unlike the major European leagues, starts in February and ends in November. Thus, the winter transfer window turns out to be the most relevant for the clubs to renew their teams.

¹⁸ BAGOZZI, Marco, *Op. Cit.*

¹⁹ LAW, Matt, *Chelsea manager Antonio Conte to use 'incredible' Oscar money to replace Brazilian in January*, December 16, 2016, <https://www.telegraph.co.uk/football/2016/12/16/chelsea-manager-antonio-conte-use-incredible-oscar-money-replace/>, 16-05-2019.

by the sports entity, the effort was concentrated on quickly obtaining recognition, high visibility or, at least, the deployment of a greater business strategy.

In this respect, major examples relate to two Chinese industrial giants: Suning Group firstly acquired and renamed Jiangsu Suning FC in 2015. During summer 2016, it also purchased the 68,55% of Inter Milan FC²⁰. Alibaba, for its part, carried out the acquisition of the 50% of Guangzhou Evergrande Taobao FC in 2014 in exchange of almost \$200 million. Commenting on the agreement, Alibaba's founder Ma Yun – globally known as Jack Ma – claimed:

We are not investing in football, we are investing in entertainment, Alibaba's future strategies are health and entertainment²¹.

Regardless of the statement, many analysts remain unconvinced and the spectre of politics still hovers on similar transactions.

At the end of the 2016 football season, however, the extraordinary spending spree began to be seen as a critical issue by the government itself. The astonishing sums paid by the clubs for foreign players rose concerns for various reasons.

In the first place, China is experiencing a real economic slowdown for the first time in a long time. From 2007 to 2017, the national GDP annual growth rate almost halved, diminishing from 14.2% to 6.9%²². This exerts a certain degree of pressure on the leading cadres, who pay greater attention to huge transactions occurring in and out the national boundaries, as well as on how government-tied companies allocate their resources.

Secondly, the salaries guaranteed to foreign players to make China attractive in their eyes are totally disproportionate to both the national players' and the common people's ones. Athletes the likes of Oscar, Hulk and Graziano Pellè respectively earn €24.4 million, €20 million and €15 million a year during their Asian ventures²³, boundless fortunes if compared to the Chinese per capita GDP (€9.770,85)²⁴. While a similar situation can be considered harmless in many other parts of the world, the Communist Party of China is particularly sensitive to

²⁰ BELLINAZZO, Marco, *Inter ai cinesi, ecco l'operazione per l'acquisto del Club*, June 28, 2016, <https://st.ilsole24ore.com/art/notizie/2016-06-28/inter-cinesi-ecco-l-operazione-l-acquisto-club--180610.shtml?uuid=ADC4Umk>, 17-05-2019.

²¹ CARSTEN, Paul, *Alibaba buys half of Chinese Soccer Club for \$192mln*, June 5, 2014, <https://www.reuters.com/article/alibaba-group-evergrande-football/update-2-alibaba-buys-half-of-chinese-soccer-club-for-192-mln-idUSL3N0OM0VQ20140605>, 18-05-2019.

²² THE WORLD BANK DATA, <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=CN>, 18-05-2019.

²³ COSTA, Daniel, *Top 20 highest paid football players in China 2017*, January 6, 2017, <http://financefootball.com/2017/01/06/top-20-highest-paid-football-players-in-china-2017/>, 18-05-2019

²⁴ THE WORLD BANK DATA, <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=CN>, 19-05-2019.

social discontent and unrest. Many still remember how, during the nineties, Chinese fans expressed their dislike for overpaid players, especially when they underperform or behave badly.

Thirdly, suspicions about the transparency of football-related transactions gained their momentum. It was believed that foreign acquisitions and players purchases were being used to cover ambiguous financial manoeuvres such as the displacement of capital abroad, money laundering or the circumvention of currency exchange restrictions²⁵.

Lastly, Chinese first tier clubs are mainly loss-making entities still far from reaching the goals of sustainable development and self-reliance. Emblematic in this sense is the situation of Guangzhou Evergrande Taobao. During the 2018 fiscal year, the Chinese most valuable team registered revenues for around €80 million against expenses of €322.1 million, resulting in losses corresponding to €241.8 million. Curiously, an additional amount of €18 million have been paid to the players' agents in the deals that brought Paulinho and Talisca to Southern China²⁶.

To address similar structural issues, in 2017 the CFA adopted a wide range of measures. These include:

- imposing 100% tax on loss-making Clubs for transfer fees higher than 45 million Renminbi (€5.8 million) regarding foreign players and for transfer fees higher than 20 million Renminbi (€2.6 million) regarding domestic players;
- obliging loss-making Clubs that spend less than the abovementioned threshold to invest funds equivalent to the transfer fees into a “youth training account”.
- requiring each first-division and second-division team to register the same number of under-23 players as foreign players in the match-day roster;
- further limiting the number of foreign players in the squad to four individuals with a maximum of three included in the starting line-up²⁷;

²⁵ SULLIVAN, Jonathan, “Xi’s Soccer Dream: Defining characteristics, unintended consequences”, in SULLIVAN, Jonathan (edited by), *China Football Dream*, Nottingham, University of Nottingham, 2018, pp.12-17.

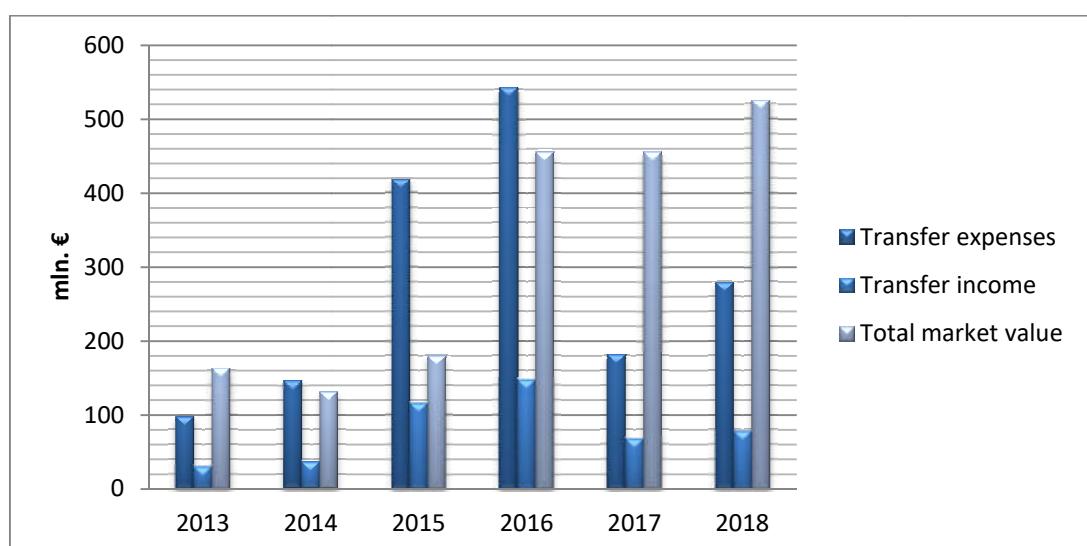
²⁶ GINEPRINI, Nicholas, *Il Guangzhou Evergrande ha pagato 18 milioni di euro in commissioni a Joseph Lee and Kia Joorabchian*, May 7, 2019, <http://www.calcio8cina.it/il-guangzhou-evergrande-ha-pagato-18-milioni-di-euro-in-commissioni-a-joseph-lee-e-kia-joorabchian/>, 19-05-2019.

²⁷ NEWMAN, I. Joshua; XUE, Hanhan and PU Haozhou, “A Back-pass to Mao?: Regulating (Post-)Post-Socialist Football in China”, in SULLIVAN, Jonathan (edited by), *China Football Dream*, Nottingham, University of Nottingham, 2018, pp.43-48.

- introducing a progressive expenditure control and a salary cap for the seasons 2019-2021. The violation could result in severe punishments, up to the expulsion from the League system²⁸.

Following such drastic changes, the rationale behind Chinese Clubs' operation, at least on the transfer market, seemed to have improved. This is reflected by the contemporary decrease of the aggregated transfer expenses and the slight increase of the League's players total value. Taking a glance at Table 1, it results clear how even the most significant transfers occurred during the last two seasons generally show a more reasonable transfer fee – market value ratio.

Figure 2: Chinese Super League transfer expenses, income and total market value, 2013-2018.
(Source: TRANSFERMARKET WEBSITE)



Beyond this, whether the totality of the measures adopted are beneficial to the development of Chinese football, or simply reflect the willingness to keep under tight control the direction of its evolution is a question to which only time can provide an answer. However, early qualitative results tend to favour the latter hypothesis.

For the purposes of the resource, aspects such as the Chinese fans' passion for the national championship, the commercial exploitation of the League and the national team performances will be analyzed in order to draw some conclusions.

²⁸ WHITE, Jonathan, *Chinese Football Association to introduce salary cap amid raft of financial constraints but 100 per cent tax stays*, November 21, 2018, <https://www.scmp.com/sport/china/article/2174334/chinese-football-association-introduce-salary-cap-amid-raft-financial>, 19-05-2019.

Chinese Fans and the National Championship

As previously observed, people started returning to the stadia in 2011. The true renaissance of the Chinese Super League, however, began in 2015: following the spending spree carried out by the Clubs to attract world-class champions, the government push for spreading the game throughout the society and the greater attention given to the national movement by the football universe, attendance rates experienced a significant growth.

The total attendance at the end of season 2015 was equal to 5.326.304, while the average attendance reached quota 22.193, registering an incredible +16,9% variation compared to the previous year²⁹.

Season 2016 lived up to the expectations too: the total attendance increased to 5.798.135, the average attendance grew by 8,9%, exceeding 24.000 spectators per match³⁰.

Data referring to seasons 2017 and 2018 show how the newly imposed regulations put a brake on the major improvements occurred during the two preceding years. The 2017 total and average attendances both faced a slight decrease, respectively to 5.703.854 and 23.766 (-1,6%)³¹.

Year 2018 would follow on the same track, the total attendance moved up to 5.772.715, the average attendance to 24,053 (+1,2%)³².

The new dimension acquired by the CSL contributed in making it the fifth most attended football league in the world in 2017, a two-sided achievement considering that China could count on a population many times larger than, for instance, Germany. During the same year, the German Bundesliga topped the ranking registering an average attendance of 44.460 spectators per match, nearly as twice as the one reported by China's first-tier championship³³.

²⁹ WIKIPEDIA, 2015 Chinese Super League, https://en.wikipedia.org/wiki/2015_Chinese_Super_League, 20-05-2019.

³⁰ WIKIPEDIA, 2016 Chinese Super League, https://en.wikipedia.org/wiki/2016_Chinese_Super_League, 20-05-2019.

³¹ WIKIPEDIA, 2017 Chinese Super League, https://en.wikipedia.org/wiki/2017_Chinese_Super_League, 20-05-2019.

³² WIKIPEDIA, 2018 Chinese Super League, https://en.wikipedia.org/wiki/2018_Chinese_Super_League, 20-05-2019

³³ BURKE, Dan, *Top 10 best attended leagues in the world revealed*, October 24, 2017, <https://en.onefootball.com/top-10-best-attended-leagues-world-revealed/>, 20-05-2019.

A less optimistic perspective is the one offered by data regarding TV audience. According to the “2017 CCTV5³⁴ annual viewership report” provided by Yutang Sports³⁵, football occupies the 12th position in the most watched sports events ranking, behind seemingly less accredited disciplines as billiards or diving. Things get even worse when evaluating the situation of the CSL: none of the top 10 most watched football matches belongs to the national championship. When considering the average viewership ratings related to live broadcasted events, the CSL follows the AFC Champions League and the Chinese Football Association Cup in the third place. Obviously, this specific classification is influenced by the fact that the UEFA Champions League and the “Five Big Leagues”³⁶ matches are televised lately during the night due to time differences issues.

All of the reported statistics emphasise how during the last eight years Chinese football has improved its status without, however, reaching a sufficient degree of development or approval by the population.

According to the experience gained during my stay in China, “the real country”, including part of the most enthusiast fans of the game, is deeply disappointed with the national championship level, to the point that a small minority seem really interested in watching it. Under these circumstances, It’s quite easy to find middle-aged taxi drivers capable of accurately reciting the line-ups set by their favourite Italian team during the 80’s, while only few are able to distinguish Chinese players belonging to domestic clubs. Even the young members of one of the best performing University team, who periodically participate in national and international tournaments admitted that “we don’t watch football, at least not the Chinese one”. In Beijing, the city in China where football passion is reportedly expressed to its maximum levels, the chances of spotting Guoan’s t-shirts or foreign clubs’ ones are almost the same³⁷. When interrogated about the CSL, or even about the national team, fans’ most common response corresponds to a desperate “中国足球太差了”：“Chinese football is awful”, regardless of their age or social background.

³⁴ CCTV5 中国中央电视台体育频道 Zhongguo zhongyang dianshitai tiyu pindao, is the main sports broadcaster in China, part of the China Central television family of networks.

³⁵ YUTANG SPORTS, Company overview: <http://en.ytsports.cn/about.html>

³⁶ Chinese fans usually refers to the English Premier League, the Spanish La Liga, the Italian Serie A, the German Bundesliga and the French Ligue 1 as “五大联赛 Wu Da Liansai”, literally “the five big leagues”.

³⁷ Beijing Sinobo Guoan home matches have been registering the highest single match attendance for four seasons in a row. Together with Guangzhou Evergrande Taobao, Guoan contributes to sensibly raising the League average attendance: both the team exceeded quota 40.000 spectators per game in 2018.

The Chinese stadium experience itself is not nearly comparable to the one proposed by the European top leagues: match-days are almost totally missing related services and pre-, during- or post-game shows aimed at engaging the spectators. A practical example may refer to the stadia's lack of proper bars selling food or beverages, instead replaced by stationary stalls offering a truly limited range of products, among which alcohol is not included. Unforgettable is the moment in which I realized how the Beijing Workers' Stadium, home of Beijing Guoan as well as one of China's most symbolic venues, could miss a timekeeper on its monitor, simply reporting the current time, the result and the teams' names matched by their uniforms' colour, to help the fans distinguish them.

Consequently, It is not surprising that attending CSL matches offers extremely diverse feelings, especially for those who are used to European occasions. Moreover, the impression is that the majority of the audience, excluding small groups of organised supporters, is composed by young people who reach to the stadia to experience and participate in something new, which they do not understand in its technical aspects, but still find amusing and somehow popular.

The Commercial Exploitation of the League

The three main voices playing an essential role in generating revenues for professional leagues may be indentified with the selling of broadcasting rights, naming rights and commercial agreements (sponsorships).

In the case of the Chinese Super League, the size and profitability of the above-mentioned arrangements have approximately followed the evolution of the league, from its previous stages to the current degree of development, according to its attractiveness.

The selling of broadcasting rights officially began in 1994, coinciding with the first edition of the newborn Division One A League. During the first ten years, China Central Television (CCTV), China's governmental station, maintained the exclusivity in the market. Its monopolistic position resulted in the devaluation of the broadcasting contracts. According to what stated in the first agreement signed by the CFA and CCTV in 1994, the national broadcaster acquired the rights in exchange of a two minutes advertisement time for every match shown, valued around \$70.000 per year, with a term of 5 seasons.

The subsequent contract signed in 1999 raised the fee to \$500.000 per year. While the CFA earnings increased around seven times, it was the CCTV who stroke the real bargain, having generated advertising revenues for \$2 million over the three-years long deal³⁸.

The first major change in the history of the broadcasting rights exploitation occurred in 2003, when Shanghai Media Group (SMG), a local media company, acquired the CSL three-year exclusive rights in a deal worth Rmb 50 million per season. However, when the widespread illegal practices affecting Chinese football began coming into light, the contract's value witnessed a sharp fall.

In 2007 SMG and CFA settle for a new agreement entailing a RMB 14 million fee per year, less than one third the price of the previous one.

Given the gravity of the situation, in 2008 CCTV removed CSL matches from its' sports channel (CCTV5) schedule. Convinced that they wouldn't be able to provide clear and competitive matches, the ban lasted until the end of 2010³⁹. During the banning, the few CSL fans remained were left without a broadcaster able to cover both the championship and the national audience.

CCTV seized the opportunity to secure the 2012 and 2013 seasons' broadcasting rights, riding the wave of the cleaning process in place since 2011. The acquiring price was equal to RMB 14,6 million for both years. From 2012 to 2015 the fee raised on annual basis, reaching up to RMB 70 million in 2015, when the above mentioned spending spree was providing the CSL with fresh visibility worldwide.

In September 2015, the China Sports Media (CSM) agency purchased the all-media exclusive rights for the period 2016-2020 for RMB 8 billion. The deal represented a turning point because of two main reasons: the investment carried out by a relatively independent buyer required an unprecedented amount of resources to be deployed; The negotiation was conducted on a collective basis, being the collected fee shared as follows: 10% to the CFA and CSL company, 81% equally split among the clubs, 9% awarded according to the League's final table⁴⁰.

³⁸ ZHANG, Yahui, "Marketing tactics of TV relay right of sports competition in China", *Journal of Wuhan Institute of Physical Education* 42, no. 8 (2008), 49-55.

³⁹ YANG, Shuo; LENG, Tangyun and ZHENG, Fang, *Op. Cit.*

⁴⁰ Sinasports, "中超确定版权费分红方案：90%平均 10%按名次 Zhongchao queding banquanfei fenhong fang'an: 90% pingjun 10% an mingci", December 1, 2016.

<http://sports.sina.com.cn/china/j/2016-12-01/doc-ifxyicnf1327245.shtml?retcode=0>, 13-06-2019

During the last seasons, the offer has been expanded and diversified: Group Suning's PPTV has become the main broadcaster of Chinese football domestically, thanks to its live streaming platform; CCTV has gradually lost its monopoly position, retaining a limited number of events and, in the same year 2016, International Management Group (IMG) purchased the CSL global streaming rights, which led the Chinese championship to be shown in ninety-six countries in 2017.

However, even the fast-growing broadcasting market suffered from the new regulations imposed by the CFA under governmental pressure. At the beginning of 2018 CSM and the CSL renegotiated their agreement. The renewed deal postponed the expiry date to the end of season 2025, yet increasing the fee by only RMB 3 million, reaching a sum of RMB 11 million for the whole ten years-exclusivity period. Following the signature, Li Yidong, Chairman of CSM declared:

The eight billion for five years deal was a dynamic estimation, and we want to enter a positive cycle. Every investor needs to profit from the growing soccer market. If there's no business interest, there will be no sustainable development⁴¹.

As far as the naming rights are concerned, their value's fluctuation over time once again reflects the popularity of the league among the fans and throughout the society.

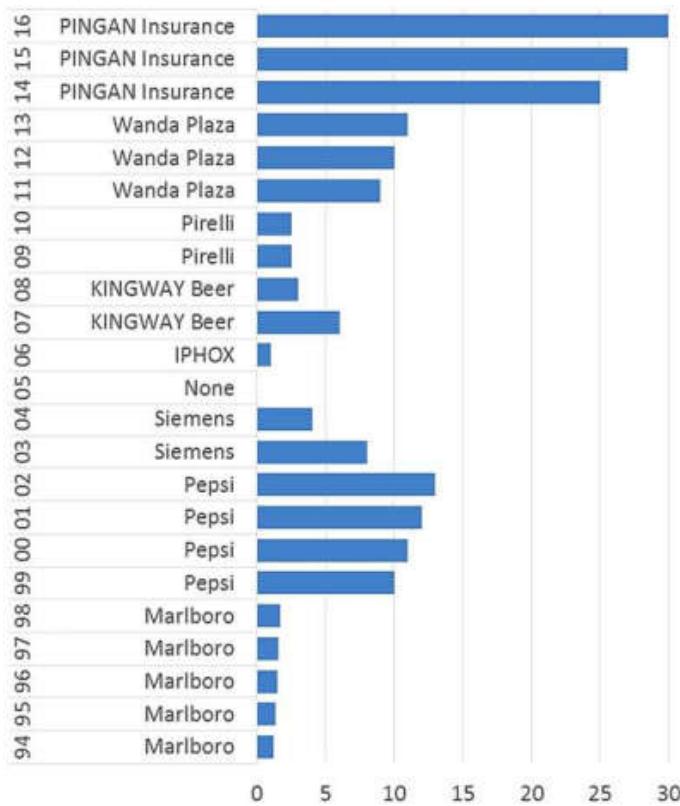
Marlboro Tobacco Company was the first to tie its name to China's newborn top league in 1994. To rename the championship "Marlboro Chinese Football League", the Philip Morris controlled poured into the CFA's coffers \$1.2 million for the first season, increasing the fee by 20% every year for the whole length of the contract – 4 years. At the time, the budget allocated by the CFA to the organization of the league corresponded to just \$60.000.

In 1998, the Chinese government imposed a ban on tobacco advertising in the first-tier championship. Since only one board reporting Marlboro's logo was to be allowed in the stadia during match-days, Philip Morris terminated its commitment⁴².

⁴¹ CARP, Sam, *China Sports Media rejigs Chinese Super League rights deal*, January 26, 2018, <http://www.sportspromedia.com/news/china-sports-media-rejigs-chinese-super-league-rights-deal>, 13-06-2019.

⁴² JONES, Robin, "Football in the People's Republic of China", in Wolfram Manzenreiter and John Horne (Edited by), *Football Goes East: Business, culture and the people's game in China, Japan and South Korea*, London, Routledge, 2004, pp 61.

Figure 3: Chinese Super League naming right fee 1994-2016 (\$ million)
 (Source: YANG, Shuo; LENG, Tangyun and ZHENG, Fang, Op. Cit.)



Attracted by the possibility to compete with “mother sponsorship” Coca Cola in a country endowed with a huge market potential, Pepsi also signed a 4 years deal worth around seven times the one offered by Marlboro: \$10 million per season, entailing an increase of 10% per year. However, the end of the 90’s coincided with the beginning of the Chinese Football crisis: the reported transparency issues, the lack of competition deriving from the erased relegations and some alleged contrasts between Pepsi and IMG regarding individual and team sponsorships led the American giant to quit the Chinese Division One A league.

All the companies that engaged in name-sponsoring between 2003 and 2010 eventually regretted their decision.

Siemens signed a \$5 million agreement in 2003. in 2004 the championship was renamed, IMG quit its cooperation with the CFA and the China Football Industry Development Corporation (CFDIC), now in charge for negotiation, failed to satisfy Siemens requests. The same year the German firm ceased its obligations.

Season 2005 was carried out in absence of a naming sponsors.

IPHOX, another European telecommunications company, acquired the one-year (2006) rights in exchange of less than \$400.000.

KINGWAY Beer left after two years, having settled only half the fee initially agreed upon with the CSLC.

Pirelli firstly signed a 3-years contract in 2009, running then away at the end 2010, when imprisonment and judicial trials were caught under the spotlight.

2011, once again, was the year of rebirth of Chinese Football. First Wanda Group provided a total fee of around Rmb 165 million for three seasons⁴³. When CSLC raised its demands in 2014, China PING'AN insurance company offered a deal worth RMB 150 million per year on average.

Before the agreement's expiry, China PING'AN lately renewed its commitment for the period 2018-2022: the CFA would cash Rmb 200 million in every single season, Rmb 1 billion totally⁴⁴.

The last source of revenues analysed in the chapter refers to the commercial agreements, mainly identified with sponsoring partnerships.

Table 2: CSL current partners (Source: CSL Official Website)

Current Partners			
Type	Sponsor	Length	Fee
Exclusive media rights and production partner	CSM	2016-2020 2020-2025	RMB 11 bln tot. (5 bln 2016-2020 6 bln 2021-2025)
Commercial Partner	Nike	2009-2019	\$ 15 mln/year
	DHL	2014-2017 2017-2020	RMB 20 mln/year
	Saic Motor	2019	/
	Shell	2014-2017 2017-2020	RMB 20 mln/year
	TMALL	2019-2023	/
	Laoshan Beer	2018-	/ Beer supplier
Equipment Supplier	Tag Heuer	2016-2019	RMB 40 mln/year (Watch supplier)
	ABSEN	2016-2019	RMB 130 mln tot. (80 mln cash + 50 mln LED Board supplier)
	GantEn Water	2018-	Water supplier
	Eastroc Beverage	2018-	Beverage supplier

According to the report published by Deloitte and CSL⁴⁵, which excludes the media manager and producer CSM while including the naming rights holder PING'AN in the count, the

⁴³ YANG, Shuo; LENG, Tangyun and ZHENG, Fang, *Op. Cit.*

⁴⁴ CHEN, Meiling, *Chinese Super League secures \$145m sponsorship deal*, May 23, 2017.

<http://www.nbdpress.com/articles/2017-05-23/2543.html>, 15-06-2019.

amount of commercial partners at the end of 2018 reached quota eleven, the second highest peak in the history of the Chinese top-flight championship. Season 2017, the only one able to register a greater amount of deals – twelve – was still less profitable in terms of total income.

Season 2006 coincided with beginning of the sponsorship era in the CSL. The agreements were five, corresponding to a total value of Rmb 17 million.

Years 2007-2012 were characterized by slow and variable growth.

In season 2013, the figure exceeded Rmb 100 million (151) for the first time.

Season 2014 doubled the previous year result (Rmb 295 million).

Season 2018 lowered its curtains recording an outstanding outcome of Rmb 465 million. Over the all period, from the emergence of a sponsorship market in 2006 to the last sporting year, the Compound Annual Growth Rate (CAGR)⁴⁶ has been equal to 31,6%.

It appears now clear how the CSL business scope has strongly benefited from the resurgence of the national's league level and the renewed people's interests in the game. in light of the measures adopted by the CFA under governmental pressure, however, it is very likely that it will not be able to maintain similar growth rates, rather stabilising around the acquired, existing dimension. Something that has already happened during seasons 2017-2018.

Table 3: CSL previous years most significant partners who decided not to renew their commitment

(Source: CSL Official Website)

Previous Partners			
Type	Sponsor	Length	Fee
Commercial Partner	Ford	2014-2017	RMB 40 mln/year
	JD	2014-2018	RMB 35 mln/year
	Carlsberg	2013-2016	RMB 20 mln/year
	RedBull	2016-2017	RMB 20 mln/year
	Jiangsu Yanghe	2017	RMB 2 mln/year
Equipment Supplier	LEDMAN	2011-2016	LED Board supplier

⁴⁵ “中超联赛 2018 商业价值评估白皮书 Zhongchao liansai 2018 shangye jiazhí pinggu baipishu” (Chinese Football Association Super League – 2018 Commercial Performance Review White Paper),

<https://www2.deloitte.com/content/dam/Deloitte/cn/Documents/technology-media-telecommunications/deloitte-cn-tmt-csl-2018-performance-review-zh-190318.pdf>, 18-06-2019.

⁴⁶ CAGR is the rate of return that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each year of the investment's lifespan. It is essentially a number that describes the rate at which an investment would have grown if it had grown the same rate every year and the profits were reinvested at the end of each year.

The National Team Performances

Whether the centrality of the National Team performances is the legacy of the “proper-communist” era – when sports was elitist, finalized to the fulfilment of the country’s desire for greatness – or the consequence of Deng’s reforms and Xi’s new “football dream” or both, building a national team able to optimally represent China on the international arena is still the ultimate goal of the actors responsible for shaping the present and future of Chinese Football.

The drastic regulatory changes periodically affecting the Chinese Super League and the football system are nothing more than an attempt to find new effective way of developing domestic talents, while keeping under tight control any eventual source of social discontent.

The first major turning point in the history of professional Chinese Football, the 1992 market reform, was triggered by the failure of qualifying to the Barcelona Olympics.

Some of the causes of the great crisis that invested the then called Division One A League in the late 90’s are to be found in the poor results of *Team Dragon* during years 1996-1998.

The removal of the promotion-relegation system in seasons 2001-2002, which hugely affected the seriousness of the League, was implemented by the CFA with the aim of increasing the National Team chances of performing well in the upcoming World Cup.

Xi’ football dream, which newly focused China’s attention and investments on football, sees the improvement of the National Team as a key goal. The same holds true for the restrictive rules entered into force in 2017: the willingness to cut the number of foreign players, guaranteeing domestic players and youngsters more playing time, was accompanied by the intention of curbing a spending spree which not only was not having positive impact on the quality of the national movement but was also causing a certain degree of concern among the leading cadres.

The last phenomenon in this sense refers to the brand-new wave of naturalisation of both foreign players possessing Chinese bloodlines and foreign players who have been playing in China for at least five years. Emblematic is the case of Nico Yennaris – 利可⁴⁷: the former Arsenal talent joined the ranks of Beijing Guoan after having become a Chinese citizen at the beginning of season 2019. He eventually made his national debut during the friendly match

⁴⁷ 李可 Li Ke is the new name chosen by former English player Nico Yennaris once become Chinese citizen.

opposing China to Philippines played on June, 7th at Tianhe Stadium, home of Guangzhou Evergrande.

These are just a few examples showing the close relationship existing between the National Team performances, his development and the Chinese Super League.

It should appear now clear how a careful observation of the National Team performances and the reaction of the society to them, among other factors, could help in predicting upcoming changes in the way how the CSL is managed, as well as in the way the governing bodies modify their attitude towards the football movement itself, consequently influencing the entire business environment.

The People's Republic of China and FIFA: Centrality and Influence of a Renewed Power

The People's Republic of China was officially established on October 1st, 1949.

Since its foundation, the attitude assumed by the “New China” towards the outer world and the international bodies experienced several changes over time. Similarly, the degree of openness of the national football movement, industry and the consequent business opportunities varied in accordance with the occurrence of these adjustments.

The Chinese Football Association (CFA), born in 1924 and firstly affiliated in 1931, was officially accepted as a FIFA member on June 14th, 1952. The relationship between Beijing and the headquarter of international football, however, was soon affected by the ongoing political issues and existing tensions.

Two years later than the PRC, Taiwan also joined FIFA. From 1954 to 1958 the PRC and the nationalist Republic of China coexisted inside the organization, leaving space for subjective interpretation about the legitimacy of one or the other government, or even for the contemporary existence of “two Chinas”.

In 1956, communist China step out to solve a situation in which both the counterparts claimed to represent Chinese athletes and equally possessed the right to vote. During the 30th FIFA Congress, held in Lisbon on June 9th-10th, CFA vice-president Zhang Lianhua formally asked the removal of Taiwan from the members' table. The Congress denied his request.

During the 31st Congress, held in Stockholm from June 5th to June 7th 1958, the CFA newly tried to persuade the 62 attending members. FIFA did not meet its demands once again⁴⁸.

Therefore, nearly six months later than the beginning of “The Great Leap Forward”⁴⁹, the PRC deliberately decided to leave the Association and withdraw as a member. This move should be seen as part of the greater strategy adopted by China to obtain international recognition. in other words:

China’s [...] break from FIFA represents its desire to be recognized internationally amidst its willingness to isolate itself to demand that recognition⁵⁰.

The period included between the PRC withdrawal from the FIFA and its readmission, occurred in 1979, has been characterized by a series of highly significant changes.

Over less than twenty years, Communist China cut the ideological cord binding it to the Soviet Union (1960); suffered from international isolation while connecting with the third world countries; experienced the hardships of Mao’s Great Proletarian Cultural Revolution⁵¹ (1966-1976); was finally recognized by and admitted to the United Nations (1971) on the wave of the reconciliation with the US, and saw the end of the Maoist era, as The Great Helmsman passed away on September 9th, 1976.

⁴⁸ Wang Xiaoyi 王晓易, “Zhongguo zuqiu guojiadui dashiji” 中国足球国家队大事记 (China National Football Team: chronicle of events), May 19th, 2007, <http://sports.163.com/07/0319/03/39TS1BEK00051C88.html>, 19-06-2019.

⁴⁹ “The Great Leap Forward” (大跃进 Dayuejin) is the name originally given to the second five-year plan of the Maoist era. The campaign, whose main goal was to transform the country from an agrarian economy to an industrial power through the collectivization of society, was thought to cover the period 1958-1963. The plan would be eventually brought to a conclusion in 1961 due to the tremendous deterioration of the living conditions of the population. in the end, it resulted in a complete failure: tens of millions of people hit by the famine lost their lives, while the nation’s social structure was almost disintegrated.

⁵⁰ VANDENBERG Layne, “History of the People’s Republic of China and FIFA”, in SULLIVAN, Jonathan (edited by), *China Football Dream*, Nottingham, University of Nottingham, 2018, pp.101-105.

⁵¹ “The Great Proletarian Cultural Revolution” (无产阶级文化大革命 Wuchanjieji Wenhua Dageming) was a socio-political campaign launched by Mao Zedong in order to restore his centrality in China’s power structure after the failures of The Great Leap Forward. Mao claimed that alleged revisionist, capitalist, counter-revolutionaries who had infiltrated the Party and the society should be removed through violent class struggle. The newly formed Red Guards spread all over the country. A wide range of abuses and violations were committed, ranging from people’s displacement to imprisonment, public humiliation, torture and executions. Historical relics as well as religious sites were destroyed. China was politically paralyzed and its economy strongly damaged.

The Cultural Revolution can be divided into two different phases: the first radical, violent period (1966-1969) and a second stage (1969-1976) in which the State tried to recover from the enormous shock, ended with Mao’s death.

In 1981, the Chinese Communist Party (CCP) acknowledged The Cultural Revolution as one of the darkest time in the PRC history.

The succession of similar historical events left little room for the development of the national movement.

The PRC reintroduced a football league in 1974, as the Cultural Revolution abated.

In 1971 the National Sports Committee (NSC) started preparing for the PRC's reintegration into international sports world.

In 1979, finally, the PRC's CFA re-joined FIFA. The reinstatement was made possible by the parties' agreement on fundamental issues: Taiwan should remain a FIFA member; its federation's name would change into "The Chinese Taipei Football association" and it would not be allowed to use any symbols attributable to the former "Republic of China"⁵².

In 1980 the CFA was ratified by both FIFA and the International Olympic Committee (IOC), which assumed a similar attitude towards the "two Chinas issue".

From the 80's onwards, the relations between FIFA and the PRC are to be considered normalized. The national team has been regularly participating in the World Cup qualifiers and, as previously observed, in 1992 China provided itself with a conventional professional championship.

In recent times the degree of engagement between the parties has quickly escalated.

First came the historical qualification to the 2002 World Cup, hosted by Korea and Japan, which newly fuelled the passion of Chinese fans. Then, in 2004, Joseph Blatter released a controversial as revolutionary statement:

[...]And here in the world's most populous country, we honour the Chinese people for their country's role as the cradle of the earliest forms of football, having firmly planted the roots of our sport and helping set the course for it to grow into the beautiful game it is today.⁵³

On the stage of the Chinese Football Expo held in Beijing, the city set to host the Chinese Asian Cup Final two weeks later, the former FIFA president identified pre-historic China as the birthplace of modern football. Cheered by the Chinese Sports Ministry (CSM) and the Asian confederation representatives, Mr. Blatter wisely chose the time and place to give fast-growing China official recognition and fresh impetus: the national team was just two years away from its first World Cup participation; the governing apparatus were pushing for

⁵² Wang Xiaoyi 王晓易, *Op. Cit.*

⁵³ FIFA.com, *Football fever hits Beijing*, July 20, 2004, <https://www.fifa.com/about-fifa/who-we-are/news/football-fever-hits-beijing-93216>, 20-06-2019.

development and reform once again, and the Football Expo was the occasion that gathered together the sporting and industrial companies which create the game's framework and the bureaucrats that run it at local, international, and global level.

Joseph Blatter's statement, thus, firstly opened the "Chinese season" on the world's football calendar.

While the 2008 Beijing Olympics assume particular importance in China's overall history, in the scope of this research they will be "merely" considered as a major event that contributed to further increase China's importance on the international arena as well as the population awareness of sports practices and their diffusion in the country.

The visible consequences of the reconciliation occurred between China and FIFA once again refer to the political-economic field. Indeed, many are the tangible examples showing how FIFA's commitment has been inspired by goals that go way beyond China's cultural integration in the football world.

In 2015, Alibaba E-auto – co-owned by Alibaba Group and SAIC MOTOR – bridged the FIFA Club World Cup sponsorship gap by signing an eight-years deal. The Chinese company has become exclusive presenting partner up to year 2022⁵⁴. A bold move, considering how the event was previously left uncover due to the corruption scandals that hit the international governing body.

During February of the same year, President Xi Jinping released his "Overall Chinese Football Reform and Development Programme", promoting the new "Chinese Football Dream" on large-scale. Shortly after, China also formally committed to separate the CFA from the Chinese General Administration of Sport in order to align to FIFA's regulation on political interference.

In January 2016, Chinese authorities inaugurated the National Football Museum of Zibo, Linzi, Shandong province. Worth 22.000.000 Dollars, the exhibition centre serves two major tasks: celebrating China as the birthplace of football and hosting conferences able to gather influential figures from around the globe together⁵⁵. The first World Soccer Culture Forum, for instance, was symbolically held in the venue on October 23rd -24th, 2016.

⁵⁴ LANYING He, *Alibaba E-Auto to sponsor Club World Cup*, December 10, 2015,
<http://mobile.ytsports.cn/news-1883.html>, 21-06-2019.

⁵⁵ FAHS, Ramsey, *A \$22 Million Soccer Museum In China Makes Claim As The 'Birthplace Of Football'*, March 14, 2019,
<https://supchina.com/2019/03/14/linzi-football-museum-china-as-birthplace-of-football/>, 21-06-2019.

The extent of China and FIFA reciprocal engagement, however, appeared clear when approaching the 2018 Russian World Cup: four of the eleven major partners and sponsors of the event were Chinese. Together with Adidas, Coca Cola, Visa, McDonald's, Qatar Airways, Budweiser and Hyundai-Kia, the list of companies included: China Mengniu Dairy, an enormous producer of milk and derivatives who contracted Leo Messi as ambassador right before the beginning of the World Cup; Dalian Wanda, a huge conglomerate owned by Wang Jianling, one of China's richest man, which also possess the CSL team Dalian Yifang; the electronic appliances brand Hisense, and Vivo, a smart-phone producer⁵⁶.

The increase in the number of Chinese partners and supporters shows clearly how China's interest in football nosed up after Xi's proclamation about his personal and national dream. It is not a case that the only Chinese company to sponsor the 2010 and 2014 World Cup was Yingli Green Energy, a leading company in the field of solar panels who withdrew after two participations.

It is not a secret anymore that FIFA has strong financial interests in China as well as China constantly looks for political recognition in FIFA. The massive sponsorship strategy and the increase of reciprocal commitment should be seen in light of this. Still, things go even further. One of the main goals included in President Xi's football plan refers to China hosting the FIFA World Cup before 2030. Being the 2022 and 2026 editions respectively assigned to Qatar and North America (US, Canada and Mexico jointly), China is explicitly making its best to win the 2030 or the 2034 tender.

On April 26th, 2019, right when rumours about China lodging its bid started spreading around consistently, FIFA President Gianni Infantino and CFA President Du Zhaocai, also FIFA Council Member, signed a Memorandum of Understanding of great significance. The scope of the deal covers five fields to be enhanced in order to help the world's most popular game growing and developing in the world's most populous country: governance of the CFA, refereeing, technical training, professionalization of football and events management⁵⁷.

The uniqueness of the agreement is highlighted by two different circumstances.

⁵⁶ Fifa.com, <https://www.fifa.com/worldcup/organisation/partners/>, 21-06-2019.

⁵⁷ CARP, Sam, *FIFA and CFA team up ahead of China's potential 2030 World Cup bid*, April 29, 2019.

<http://www.sportspromedia.com/news/fifa-china-football-association-partnership-world-cup>, 25-06-2019.

Firstly, the everlasting interference of the Chinese government into football affairs has now been institutionalized by the body entrusted of regulating and fighting it⁵⁸. The separation between CFA and the Ministry of Sport formally undertaken in 2015 has never been put into practice. Suffice to say that Du Zhaocai currently covers the role of vice-minister inside the Chinese Ministry of Sport.

Secondly, FIFA is quite openly supporting a hosting candidate once again, paying little attention to maintain the appearance of impartiality. A clear indicator of its intentions, especially considering the Qatar related corruption scandal that exploded not so long ago.

Despite this, newly re-elected Infantino opened to the possibility to eventually re-discuss one particular rule⁵⁹: under the current situation, countries belonging to the same continent should not be allowed to host the World Cup finals before two editions being held somewhere else. In this scenario, China would have to wait until 2034 to participate in the tender, having Qatar won the contest for 2022.

These are just the major updates regarding a relationship that has been deepening fast during the last years.

As we already partially observed, the development of football, as of many other industries in China, is propelled by major political reasons.

The overlapping of governmental interests and FIFA's needs is something that might give further impetus to the national movement in all its areas. Thus, until China and FIFA's moves will follow on parallel tracks, the Chinese hunger for international and European football, for relatively skilled and experienced individuals, for valuable know-how will surely contribute in expanding the range of opportunities for the different actors playing in the football industry.

⁵⁸ FIFA International regulations prevent national government to interfere with national football federation and club's affairs, penalty the exclusion from international competitions. Less influential countries such as Pakistan, Indonesia and Sierra Leone had suffered from punishments in the past.

⁵⁹ MORGAN, Tom, *Fifa open to China bid for 2030 World Cup in blow to GB and Ireland hopes*, June 5, 2019.

<https://www.telegraph.co.uk/football/2019/06/05/fifa-open-china-bid-2030-world-cup-blow-gb-ireland-hopes/> , 26-06-2019.

1.2 PRESIDENT XI'S VISION AND THE GOVERNMENTAL PLANS

One year before taking office as General Secretary of the Chinese Communist Party (CCP), Xi Jinping had already expressed his personal and national “Football Dream”. During an official state visit abroad in July 2011, the future president would point out “the three World Cup wishes”: to qualify for a World Cup, to host a World Cup (possibly before 2030), to win a World Cup (possibly before 2050)⁶⁰.

Both President Xi Jinping and Deng Xiaoping – the former paramount leader whose ideas have set in motion the professionalization of Chinese football in 1992 – have held a strong passion for the game. However, assuming that the process of reform and development of the national movement is the result of an individual’s inclinations would represent a simplistic view, very far from the true nature of the phenomenon.

The real reasons that have led to the new centrality of football in the political agenda are to be found in its potential ability to deal with major economic, social and political issues.

The Economic Issue

First of all, China is in the midst of a new stage in terms of business development. The GDP annual growth averaged 12% during the period 2002-2008, slowed down to 9-7% between years 2009 and 2014 and oscillates now around 6%⁶¹. This situation, the so-called “New Normal” (新常态), indicates that the country’s huge economy has passed the start-up stage and is now beginning to mature. Under such circumstances, football could definitely prove useful for at least two different causes.

On one side is the great impact that the football industry could have on the national economy, as evidenced by the European countries that host the world’s top championships: in Spain, La Liga’s turnover is equal to 1,37% of the GDP, it employs 185.000 people and generates €4,1 billion per year in taxes⁶²; the English Premier League and its 20 Clubs contribute in taxes for

⁶⁰ SUN, Baojie 孙葆洁; LI, Jianqiao 李剑桥 and LIU, Zhu 刘, *Op.Cit.*

⁶¹ THE WORLD BANK DATA, <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=CN>, 30-06-2019.

⁶² Data relating to season 2016-2017.

PWC report for LaLiga: *Economic, fiscal and social impact of professional football in Spain*, December 2018. <https://files.laliga.es/201902/28182301economic--fiscal-and-social-impact-of-professional.pdf>, 3-07-2019.

£3.3 billion and supports around 100.000 jobs, while its value added (GVA)⁶³ to the British economy accounts for £7.6 billion⁶⁴; In Italy, the whole football industry is worth €4,5 billion and the satellite activities depending on it €18,1 billion. The sector has registered an astonishing 17% growth even in a country where the GDP struggles to keep a positive value on annual basis⁶⁵.

On the other side is the idea of stimulating internal consumption through the popularization of sports. A society increasingly interested in football as in other sports is usually increasingly prone to physical activity. This is even more true in China, where governmental guidelines easily reach the people. The practice of sports and its side businesses – entertainment, events, facilities etc. – require people to direct part of their income to the now fashionable sports industry (sports equipment, tickets, facilities fee...). This spending behaviour, complemented by central investments, will encourage the sector's growth, reporting direct consequences on the national GDP. For instance, in 2016 sportswear sales in China grew 11% and, while Nike is entitled with the biggest market share, Adidas experienced the greatest variation: +28% in a year⁶⁶.

It is not a case, as will be later observed, that one of the major goals of the first large-scale plan regarding football development (2014) was to create a sports economy worth \$850 billion by 2025.

The Social Issue

The popularization of sports not only serves economic purposes. Another field of application is identifiable in the social area.

China is in the middle of its first-time in modern history obesity epidemic. The occurrence of overweight and obesity in Chinese youngsters aged 7 to 18 has dramatically increased during

⁶³ Gross value added (GVA) provides a monetary value for the amount of goods and services that have been produced in a country, minus the cost of all inputs and raw materials that are directly attributable to that production. GVA thus adjusts gross domestic product (GDP) by the impact of subsidies and taxes (tariffs) on products.

⁶⁴ Data relating to season 2016-2017.

PREMIER LEAGUE, <https://www.premierleague.com/this-is-pl/the-premier-league/686502?articleId=686502>, 04-07-2019.

⁶⁵ Data relating to season 2016-2017.

SPAZIANTE, Matteo, *Il calcio fa bene ai conti dello stato*, January 28, 2019, <https://www.ilfoglio.it/sport/2019/01/28/news/il-calcio-fa-bene-ai-conti-dello-stato-235004/>, 04-07-2019.

⁶⁶ HANCOCK, Tom, *China's fitness boom energises sportswear brand*, March 20, 2017, <https://www.ft.com/content/ea7ca9ac-040f-11e7-ace0-1ce02ef0def9>, 05-07-2019.

the last three decades. Boys percentages rose from 0.74% and 0.03% in 1985 up to 16,4% and 17,2% in 2014. During the same period, Girls jumped from 1,5% and 0.12% to 13.9% and 9.1%⁶⁷.

The change in young people's nutritional habits not only reflects the significance of the economic progress made by the country, it also results in a critical issue in terms of welfare: while China is already facing major social challenges – ageing and imbalance of the population, environmental pollution the greatest – the leadership is trying to address overweight and obesity by encouraging citizens to engage in physical activities.

Achievements in this sense have already been registered: gym memberships doubled in just 8 years, reaching quota 6,6 million in 2016; running is becoming increasingly popular. 100 marathons were held all over the country in 2016, they were just 51 in 2014; Yoga practitioners, 4 million in 2009, are now estimated around 10 million individuals⁶⁸.

The second social aspect taken into consideration by the leadership refers to the assumption that a competitive national football team would contribute in enhancing nationalism and patriotism throughout the country.

The extent to which this claim should be considered true has always been subject of debate.

The arguments in favour usually relate to three points: international sports achievement help in the construction and strengthening of national identity; successes play a significant role in creating powerful stories to be part of a country's nationalist narrative; the national team, the fans, and the settings become representations of a population's passion, they are the concrete expressions of an intangible but diffuse love.

On the other hand, we already observed how Chinese fans are capable of extreme criticism regarding their own football, especially when the national team performances do not meet the minimum expectations or when the players and the leading cadres fall into unreasonable or outrageous behaviours in spite of their privileged position.

In addition, up to five years later than the beginning of the Chinese football "revolution", the process has not produced meaningful results. A major concern is that in case of ultimate failure, football in China may solely remain a top-down imposed policy whose consequences could range from complete indifference to social discontent.

⁶⁷ WANG, Jeanette, *Explosion in childhood obesity in China 'worst ever', expert says of new study findings*, April 27, 2016, <https://www.scmp.com/lifestyle/health-beauty/article/1938620/explosion-childhood-obesity-china-worst-ever-expert-says-new>, 06-07-2019.

⁶⁸ HANCOCK, Tom, *Op. Cit.*

The Political Issue

The attempt to address the complexity and singularity of the political implications inherent in the Chinese football development in a short paragraph would result in a lack of accurateness and credibility. Thus, we will briefly observe the major cause lying at the core of the process: the quest for soft power⁶⁹.

The first declaration of intent regarding the Chinese leadership adopting soft power policies officially dates back to October 11th, 2006. The occasion was the annual meeting of the Central Committee. During the event, the cadres gave their approval to the then President Hu Jintao's new proposal: to "build a harmonious socialist society"⁷⁰. According to his vision, international relations should now be based on reassurance, adaptability and wider cultural connections⁷¹.

In recent times, China began seeing football as a significant component of these cultural connections, something extremely useful in expanding the country's reputation and influencing the others' perceptions and behaviours, providing itself with a brand-new international image.

The Chinese soft power strategy in football is articulated in three different directions: the recruitment of high-end, experienced, skilled personnel (players, managers, co-operators...); overseas investments in some of the biggest football clubs and events, especially in Europe, and the stadium diplomacy.

The first component refers to the spending spree perpetrated by CSL clubs to attract world-class individuals (Hulk, Tevez, Oscar; Felipe Scolari, Marcello Lippi, André Villas-Boas etc.).

Being the improvement of the national league quality and competitiveness the ultimate goal, early results outline an half-failure scenario.

The positive items on the list include the influence gained in the Asian continent: international players now see China as an attractive destination for the fulfilling of their career aspirations,

⁶⁹ "Soft power" is a term coined by Joseph Nye in its book *Bound to Lead: The Changing Nature of American Power* (1990). The authors states: 'when one country gets other countries to want what it wants – might be called co-optive or soft power in contrast with the hard or command power of ordering others to do what it wants.'

⁷⁰ KAHN, Jospah, *China Makes Commitment to Social Harmony*, October 12, 2006,

<https://www.nytimes.com/2006/10/12/world/asia/12china.html>, 08-07-2019.

⁷¹ CONNEL, John, "Globalisation, Soft Power and the Rise of Football in China", *Geographical Research*, 56, 1, 2017, pp 5-15.

while a Chinese Club, Guangzhou Evergrande, had the strength to win the AFC Champions League twice in 2013 and 2015.

The negative items, instead, relate to the global dimension: it is true that European federations, clubs and fans pay much more attention to China now than what was happening in the past. However, the country's economic power is seen as a threat to football itself, while its league is considered a place to visit for retiring stars and mid-level players in order to line their pockets.

The second element concerns the huge investments made by Chinese companies to acquire stakes in or full ownership of major European clubs (Atletico Madrid, Manchester City, Inter Milan, Espanyol, Wolverhampton, West Bromwich etc.) as well as their sponsorship policies.

We already saw how the engagement with FIFA is aimed at winning China a World Cup by 2034 and consequent political recognition. The participation in major clubs serves the same purpose: gaining influence at an international level while trying to redefine the country's image in the mind of fans and communities.

Worthy of mention is also the acquisition of Infront Sports and Media by Wanda conglomerate. The former Swiss sports marketing company added another detail to the whole picture: the exploitation of media. Thus, football becomes the vehicle for cultural, commercial and political expansion.

The stadium diplomacy is the last piece of the Chinese football soft power plan. China is literally building stadia all over the world. Since 1958 more than 61 countries at all latitudes have been awarded at least one Chinese arena.

During the period between years 2000 and 2017, 106 sites in Africa, Oceania, Asia and the Caribbean have become venues for sporting facilities funded by the Chinese government. The sole Senegal counts twelve of them. More are on the way⁷².

Obviously, nothing comes for free. In return for stadia and infrastructure, China usually obtains compensations that vary according to the nature of the counterpart: resources (oil and minerals) and land; ideological support to the Chinese cause and the isolation of Taiwan; new market opportunities.

The people's game has become a political tool for all intents and purposes, and China is redefining its image and its sphere of influence exploiting football's global connotation.

⁷² GIULIANI, Federico, *Stadium Diplomacy: il soft power cinese in azione, stadi in cambio di risorse e l'isolamento diplomatico di Taiwan*, July 10, 2017, <http://www.calcio8cina.it/4405-2/>, 09-07-2019.

The Governmental Plans

The governmental plans issued by the State Council are the tools through which the Chinese football development and reform are carried out. Thus, the overview of the main contents of the national-level, highly significant documents is provided below⁷³.

The plans are presented in chronological order as follows:

- The State Council's Opinion on How to accelerate the Development of Sports Industry and Promote Sports Consumption – 2014;
- The Overall Chinese Football Reform and Development Programme – 2015;
- The Medium and Long-Term Development Plan of Chinese Football (2016-2050) – 2016;
- The National Construction Plan for Football Pitches Facilities (2016-2020) – 2016;
- The Interim Implementation Plan regarding the Special Actions on Building Civil Football Pitches across China – 2019.

⁷³ the plans' overviews provided below are the result of accurate analysis and translations of the official documents issued by the State Council. The original Chinese texts can be found at www.gov.cn by entering the single plan's Chinese title in the search bar.

The State Council's Opinion on How to Accelerate Development of Sports Industry and Promote Sport Consumption

《国务院关于加快发展体育产业促进体育消费的若干意见》

October 20th, 2014

Formal Contents	Main purposes and quantitative goals
1. General requirements <ul style="list-style-type: none">• Guiding ideology• Fundamental principles• Development goals	<ul style="list-style-type: none">▪ By 2025: establish a sports industry with a rational layout, improve the market mechanism. The total size of the industry to surpass Rmb 5 trillion (\$850 billion) and promote sustainable development of the economy and society.
2. Main tasks <ul style="list-style-type: none">• Innovate institutional mechanisms• Cultivate a pluralistic body• Improve the industrial layout and structure• Promote harmonious development• Enrich market supply• Create a fitness atmosphere	<ul style="list-style-type: none">▪ Establish a well-developed, well-functioning, standardized policy and regulatory system.
3. Policy measures: <ul style="list-style-type: none">• Vigorously attract social investment• Improve the fitness consumption policy• Improve the taxes and prices policies• Improve the programme layout and the land policy• Improve the fostering of talent and the employment policy• Improve the development and protection of intangible assets and innovation-driven policies• Optimise the market environment	<ul style="list-style-type: none">▪ Improve the population's fitness and health: 2 square metres per capita in terms of area of sports venues; increase in the masses sports fitness consumption and awareness; the number of people frequently taking part in physical exercise to reach 500 million.
4. Organise implementation <ul style="list-style-type: none">• Improve the working mechanisms• Strengthen the industry• Strengthen supervision and implementation	

The Overall Chinese Football Reform and Development Programme

《中国足球改革发展总体方案》

March 8th, 2015

Formal Contents	Main Purposes and Quantitative Goals
1. General requirements <ul style="list-style-type: none">• Guiding ideology• Fundamental principles• Main goal	▪ Improve the physical conditions of the Chinese people; enrich cultural life; promote patriotism and collectivism; cultivate sports culture and develop the sports industry.
2. Adaptation and reform of the Chinese Football Association <ul style="list-style-type: none">• A clear positioning and functioning• Reorganisation of the CFA• Optimisation of the leadership institution• Development of an internal management mechanism• Development of an association management system• Strengthen the leadership of the party	▪ Realize the dream of becoming a powerful sports nation. ▪ Integrate the development of football into the economic and social development plan.
3. Improvement and reform of the structure and management model of professional football clubs <ul style="list-style-type: none">• Promote the healthy and stable development of football clubs• Optimisation of club ownership structures• Urge the clubs to form a reasonable talent structure	▪ Short-term goals: create positive environment and atmosphere for the development of football; optimize the football management system, bringing about a football management model with Chinese characteristics; contemporary develop professional football and the sport industry.
4. Improvement of the football competition system and professional league system <ul style="list-style-type: none">• Improve the design of the competition system• Create a committee for the regulation of professional football• Optimisation of the competitive bonuses system• Maintain the competitive order• Strengthen the management of the industry• Promote exchange through international competitions	
5. Reform and give impetus to the development of campus football <ul style="list-style-type: none">• Bring the educative function of football into play• Promote the popularity of campus football• Promote the culture of learning and the common development of football skills• Promote the large-scale growth of youth talent• Expand the pool of coaches	
6. Popularize and develop social football <ul style="list-style-type: none">• Promote the diffusion of the football practice• Promote social and professional football mutual progress and advancement	

Formal Contents	Main Purposes and Quantitative Goals
<p>7. Improve the pattern of development for the fostering of football professional talent</p> <ul style="list-style-type: none"> • Extend the space and channels for the growth of football players • Enhance the training of professional football talent • Enhance the training of football managing talent • Establish professional football schools and academies • Capable football players may be opened new career path 	<ul style="list-style-type: none"> ▪ Mid-term goals: significant improvement of youth football; the national league to become the best in Asia; the men's national team to become the best in Asia; the women's national team to be among the best teams in the world.
<p>8. Promote the reform and development of the national football team</p> <ul style="list-style-type: none"> • Meticulously build the national team • Optimize the team selection mechanism • Improve the ability of providing security services • Enhance the formation of the coaching team • Coordinate the needs of the national team and the clubs 	<ul style="list-style-type: none"> ▪ Long-term goals: realization of the comprehensive development of Chinese football; football to become extremely popular among the population; establishment of a healthy football culture in the society; the national league to reach a global level; bid to host the men's World Cup with good chances of winning; the men's national team to be among the best teams in the world.
<p>9. Enhance the management of the construction of football pitches</p> <ul style="list-style-type: none"> • Expand the number of football pitches • Grant political support to the construction of football pitches • Improve the operational capabilities and the comprehensive benefits of football facilities 	
<p>10. Improve investment mechanisms</p> <ul style="list-style-type: none"> • Increase public financial investments • Establish the China Football Development Fund • Increase the Lottery Public Welfare Fund to support the strength of football development • Enhance the development of the football industry • Increase the CFA market exploitation power • Establish a market competition mechanism for the broadcasting rights of football matches • Encourage social forces to develop football 	
<p>11. Strengthen the leadership of football operations</p> <ul style="list-style-type: none"> • Establish an inter-ministerial joint conference institution for the reform and development of football • Insert football operations in the important operations agenda • Enhance the formation of a work-style and the legislation in the football industry • Build a positive public opinion environment • Exert a representative and leading role 	

The Medium and Long-Term Development Plan of Chinese Football (2016-2050)

《中国足球中长期发展规划》

April 11th, 2016

Formal Contents	Main purposes and quantitative goals
1. Basis for development	
2. Overall thought <ul style="list-style-type: none">• Guiding ideology• Strategic positioning• Development principles	<ul style="list-style-type: none">▪ Meet the expectations of the Chinese population by revitalizing and developing Chinese football.
3. Development goals <ul style="list-style-type: none">• Short-term goals (2016-2020)• Mid-term goals (2021-2030)• Long-term goals (2031-2050)	<ul style="list-style-type: none">▪ Implement the governmental plans previously issued to promote the sustainable and healthy development of Chinese football.
4. Main tasks <ul style="list-style-type: none">• Establish an institutional system• Fostering talent pools• Construction of sports facilities• Expand competitive activities• Expand the football industry• Promote the football culture• Promote the opening up of football	<ul style="list-style-type: none">▪ Promote the population physical and mental health; build a powerful sports nation; promote economic and social development through the realization of the Chinese dream.▪ Take a development path that fits the Chinese society.
5. Form complete policies and guarantee measures <ul style="list-style-type: none">• Public and private financial policies• Planning and land policies• Taxes and prices policies• Qualified personnel and employment policies	<p>The number of schools providing specialized football activities to reach 20.000; the number of primary and middle school students participating in football to exceed 30 million; the number of people regularly participating in football to surpass 50 million.</p> <p>The amount of football pitches to exceed 70.000, every ten thousand people to have 0.5-0.7 fields available .</p>
	<ul style="list-style-type: none">▪ Mid-term goals (2021-2030): the management system to be scientific and smooth; diversified investments sustain the game's stability.Every ten thousand people to have 1 pitch available.The football industry to be an important engine of the sports industry.The national league and the men's national team to be the best in Asia, the women's to return among the top in the world.The image of the country as a sports power to be promoted internationally. <ul style="list-style-type: none">▪ Long-term goals (2031-2050): China to be one of the leading football powers; the full development of Chinese football is finally achieved.

The National Construction Plan for Football Pitches Facilities (2016-2020)

《全国足球场地设施建设规划（2016-2020）》

May 9th, 2016

Formal Contents	Main purposes and quantitative goals
1. Background of the Plan	
2. Guiding ideology and fundamental principles <ul style="list-style-type: none">• Guiding ideology• Fundamental principles	<ul style="list-style-type: none">▪ Build 5 a-side, 7 a-side, 8 a-side and standard 11 a-side pitches for the development of football.
3. Goals and tasks <ul style="list-style-type: none">• Construction goal• Construction task	<ul style="list-style-type: none">▪ Football pitches in China to exceed 70.000; every ten thousand people to have 0.5 pitches upwards available, 0.7 upwards in areas with proper conditions.
4. Construction pattern and funding sources <ul style="list-style-type: none">• Construction pattern• Fund raising	<ul style="list-style-type: none">▪ Renovate and transform up to 40.000 campus pitches; specialized primary and middle school to have 1 pitch upwards; higher education campuses with proper conditions to have 1 standard pitch upwards.
5. Open use (of the pitches)	
6. Organized implementation <ul style="list-style-type: none">• Establish a working mechanism• Draw local plans• Wisely implement policies	<ul style="list-style-type: none">▪ Build 20.000 civil football pitches; dimension and number vary according to the nature of the location.
7. Strengthen supervision and inspection	<ul style="list-style-type: none">▪ Improve the quality of professional football pitches and build 2 training bases for the national selections

On July 23, 2019, the Ministry of Education held a press conference presenting its “Work Report on National Youth Campus Football (2015-2019)” – 《全国青少年校园足球工作报告（2015-2019）》.

According to what emerges from the report, during the last 5 years 24.126 primary and middle schools have reached an appropriate degree of development, 38 city-level and provincial level experimental areas have been built, 135 pilot counties have been certified and 47 training camps have been hosted. The foundations of well-functioning coaching, educational and competition systems have been laid. In addition to what already achieved, 3.000 kindergartens specialized in football teaching will be built in 2019, other 30.000 specialized schools will follow before 2025.

The Interim Implementation Plan regarding the Special Actions on Building Civil Football Pitches across China

《全国社会足球场地设施建设专项行动实施方案（实行）》

July 30th, 2019

Formal Contents	Main purposes and quantitative goals
1.General requirements <ul style="list-style-type: none">• Guiding ideology• Fundamental principles• Operational goal	<ul style="list-style-type: none">▪ Implement the governmental plans previously issued; further stimulating civil participation; efficiently enlarge the supply of football pitches facilities.
2. Construction content	
3. Scope, standard and declaration procedures of the central budgetary investment support <ul style="list-style-type: none">• Scope of support• Standards for subsidies• Funds declaration	<ul style="list-style-type: none">▪ Implement “two decreases” (operational costs and service prices); “three increases” (amount of pitches, utilization ratio and ability to sustainably develop of the operative bodies) and “one satisfaction” (the people’s degree of satisfaction) in the field of civil football.
4. Operational procedures <ul style="list-style-type: none">• Specify participants• Formulate the operational plan• Gradual report and organizational assessment• Conclusion and signature of the cooperation agreement	<ul style="list-style-type: none">▪ Build new football pitches (5 a-side, 7 a-side, 8 a-side and standard 11 a-side) throughout the country according to different factors: short distance from residential areas; high population coverage; insufficient supply of football facilities in the region. 11 a-side pitches will receive Rmb 2 million while other sizes not more than Rmb 1 million each.
5. Operational requirements <ul style="list-style-type: none">• Strengthen organizational leadership• Expand investment and financing channels• Enhance in-process and post-process supervision	
6. Supplementary provisions	

1.3 THE CHINESE FOOTBALL CONSUMERS

The third and last paragraph of the first chapter attempts to provide the reader with a qualitative and quantitative outline of the Chinese football consumers.

The first section draws attention to certain aspects that define the relationship between the game of football and the fans in the era of globalization, in a time in which the whole sports movement has entered, according to various sociologists, the post-modern age. The aim is to expose the theoretical background of two universal trends which, as shown in the following part, are particularly pronounced in the Chinese dimension.

In the second section, the focus pragmatically shifts on the characteristics of the Chinese football consumers. A brief overview of the Chinese demographic situation is followed by a more detailed analysis of the Chinese football fan. Aspects as gender division, marital status, age groups, educational background, income levels, reasons behind the interest in football, sources of football related news, supporting choices are examined in order to provide a comprehensive picture.

Entertainment and Star Players in Global Football

The first topic brought to the reader's attention refers to the concepts of emotions and satisfaction in relation to the audience of a sporting event.

Football has been, is, and will always be a show. Following the evolution of human societies and technological progress, its public may have significantly changed over the course of time. Nevertheless, it still perfectly fits the definition of “a circumstance which generate collective emotion”.

The “collective emotion” is the sum of the emotional experiences of the individuals that compose the collective formation attending or watching the event. What is deemed to be spectacular, satisfactorily entertaining certainly differs from individual to individual.

The two diametrically opposed attitudes a spectator may assume towards the show of football – or sports in general – can be identified with what sociologists call “dramatic emotion” and “aesthetic emotion”. While the previous one is linked to all the events that could shake the spectator's emotional state during the show, the latter is the result of a scrupulous qualitative

research, carried out by an audience prone to valuing the quality of the emotional stimulus rather than the repetition of it.

An example of two different “reactions” to the same event may well be seen in a football match ending with an unusual score of 7-4. The spectator inclined to the dramatic emotion would be thrilled by having witnessed a memorable game, while the one tending to the aesthetic emotion would be strongly unsatisfied with the lack of preparation and the disorganization of the teams.

In the middle of these extremes a wide set of combinations which somehow conciliate “dramatic emotion” and “aesthetic emotion” exists⁷⁴.

In places where a mass football culture is lacking or is relatively young, like China is, the audience usually carries along a strong inclination for dramatic emotions. It is also true that, as globalization contributes in extending the number of fans who newly approach the game, the tendency towards drama covers the majority of the spectators.

The second topic concerns the glorification of the athletes and their propensity to narcissism as a response to the greater importance acquired by the media in the society. As will be later observed, the implications of this dynamics are extremely clear when dealing with Chinese fans.

The new perception of the athletes, from individuals judged and recognized by the community for their ability to perform to actual celebrities, is the result of the combination of four factors, three of which are intrinsic in the nature of sports, football included.

First, sports possess an outstanding capacity of creating stories. Sports events stage a challenge between team or individuals, enhance drama as well as clearly identify winners and losers as a result of an open conflict of power.

Second, the stories usually take on the dimension of the individual, or, in some cases, of the team. The story-telling recalls the myth as the athletes become heroes able to overcome formidable challenges.

Third, the stories built by the means of sports contribute to the collective memories of the communities which witnessed them, creating a common mythography intended to last for long.

⁷⁴ RUSSO, Pippo, *Filippide al Pit Stop, Performance e Spettacolo nello Sport Postmoderno*, Firenze, Editpress, 2017. (Pp. 22-26)

The fourth factor, the one that drastically changed the nature of sports and its players, is the extraordinary rise of the media in the society. In the era of the media, the sports imaginary, its iconography, and its language become forms of expressions extensively widespread in the people's daily life. The personal dimension and the biographic dimension of the athletes tend to overlap up to the point that is difficult to differentiate them. The relationship between the public and the athlete becomes more direct, more emotional, consistently exceeding the match-time.

While the pool of people reached broadens, the percentage of fans genuinely attracted by the sportive dimension of the athlete-celebrity decreases. The ability of the athlete to produce images and communication assumes greater importance than the ability to perform. Ultimately, the transition to celebrity highlights the singular dimension of the athlete, shifting his focus and the fans' devotion on the individual rather than on the club or agency he works for⁷⁵.

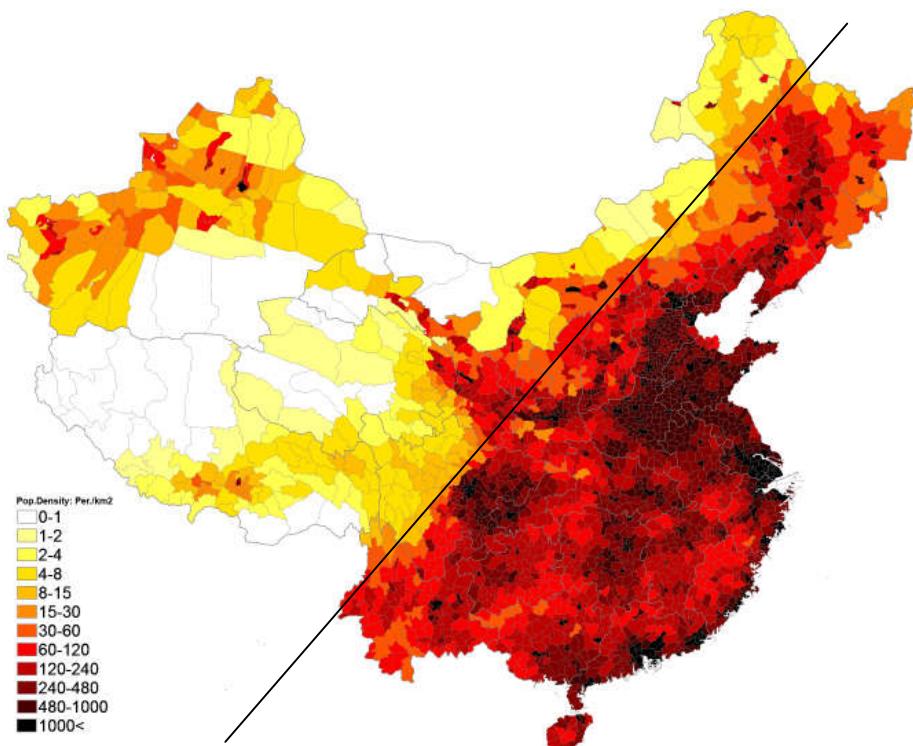
⁷⁵ Ibid.

China at a Glance

According to the United Nations projections, China's 2019 population is equal to around 1.4 billion individuals. The annual population growth decreased to 0.45% in 2018 while the urban population has reached 59% of the total. 2.5% the growth related to the number of citizens who become urban residents every year.

The majority of the population lives in the eastern costal area which also is the industrial and economic engine of the country.

Figure 4: China's population density and distribution 2015 (Source: popdensitymap.ru)



As a matter of fact, around 94% of the inhabitants are located at the right of the black line.

With regard to the gender structure, 51,31% of the population consists of males, 48,69% of females.

The age groups are represented as follows: 0-14 years – 17%; 15-24 years – 13%; 25-54 years – 48%; 55-64 years – 11%; 65 years and over – 11%.

The average GDP per capita is equal to about \$9.770, however, a serious imbalance among rural and urban areas, coastal and central regions exists: Beijing and Shanghai, for instance, both register a related value that exceeds \$18.000.

Several cities in the country have more than 10 million inhabitants. The metropolitan areas of Shanghai, Beijing, Guangzhou and Chongqing all surpass 20 million.

Of the around 1.4 billion individuals who constitute the Chinese population, 237 million call football their favourite sport, 308 million watch football at least once a week and 414 currently do not watch sports at all⁷⁶.

Gender Division

Generally speaking, 67% – 75% of the Chinese football consumers are males, 33% – 25% females⁷⁷. In urban areas, 45% of the men are considered to be interested in the game, against 20% of the women⁷⁸. When specifically dealing with European football, 2/3 of the fans are males.

Marital Status

More than half of the Chinese fans who follow European football are single, up to 66%. For some of the men and women who developed strong affections to European clubs and players, football is one of the main sources of excitement and emotional cues⁷⁹. They are deeply involved in the clubs dynamics as their passion is comparable to the one of the long-standing supporters.

Age Groups

It is not easy at all to precisely identify the age group showing greater interest in football in China. Different market analysis and reports published in recent years present slightly different results according to the samples on which the researches are based on. What emerges,

⁷⁶ CENTRE FOR SPORTS AND MANAGEMENT (CSM) – WHU, Otto Beisheim School of Management, *Dancing with The Dragon – The Quest for The Chinese Football Consumer*, 2017, <https://opus4.kobv.de/opus4-whu/frontdoor/index/index/searchtype/all/docId/571/start/4/rows/10>, 15-07-2019.

⁷⁷ SUN, Baojie 孙葆洁; LI, Jianqiao 李剑桥 and LIU, Zhu 刘柱, *Op. Cit.*; CENTRE FOR SPORTS AND MANAGEMENT (CSM) – WHU, Otto Beisheim School of Management, *Op. Cit.*;

⁷⁸ NIELSEN SPORTS, *China – Next Generation Sports Consumers*, 2018, <https://www.nielsen.com/wp-content/uploads/sites/3/2019/04/china-next-gen-of-sports-consumers.pdf>, 16-07-2019.

⁷⁹ MAILMAN GROUP, *RedCard+ – The Fans Issue*, September 2017, <http://mailmangroup-staging.make.technology/sports/red-cards/>, 17-07-2019.

however, is that the majority of the Chinese football consumers should now be between the mid twenties (25+) and the mid forties (44-).

An interesting feature of the Chinese reality refers to the fact that age groups are strongly characterized by distinctive preferences.

The Chinese society places an incredible value on kids and teenager's education⁸⁰. Parents strive to provide children with every opportunity to realize themselves by studying as the access to high or medium high-ranked universities is the real guarantee for employment and successful careers. As a consequence, due to the fierce competition faced by the millions of Chinese youngsters throughout the educational system, the pressure is extremely heavy.

Furthermore, frequently kids belonging to urban middle class families are enrolled in additional courses whose contents and methods are much more requiring than the one addressed in public institutes. More than a few times it happened to me to talk with kids aged eight, nine, ten or above who gave up the weekly matches because of lack of time to spend on recreational activities. Teenagers, on their turn, are focused on fighting their way to university.

Under similar circumstances, where schools absorb almost the totality of the young's time, there is no chance to regularly attend or watch games and develop an affection to European clubs, whose games are frequently broadcasted late at night. In the end, the general trend is to follow star-players who become role models.

The range of people included between the early twenties and the mid forties is the most interested in football. However, this is also the group of individuals possessing the most diversified preferences, whose triggering factors will be later analyzed.

The third category is represented by adults around their mid-forties and above.

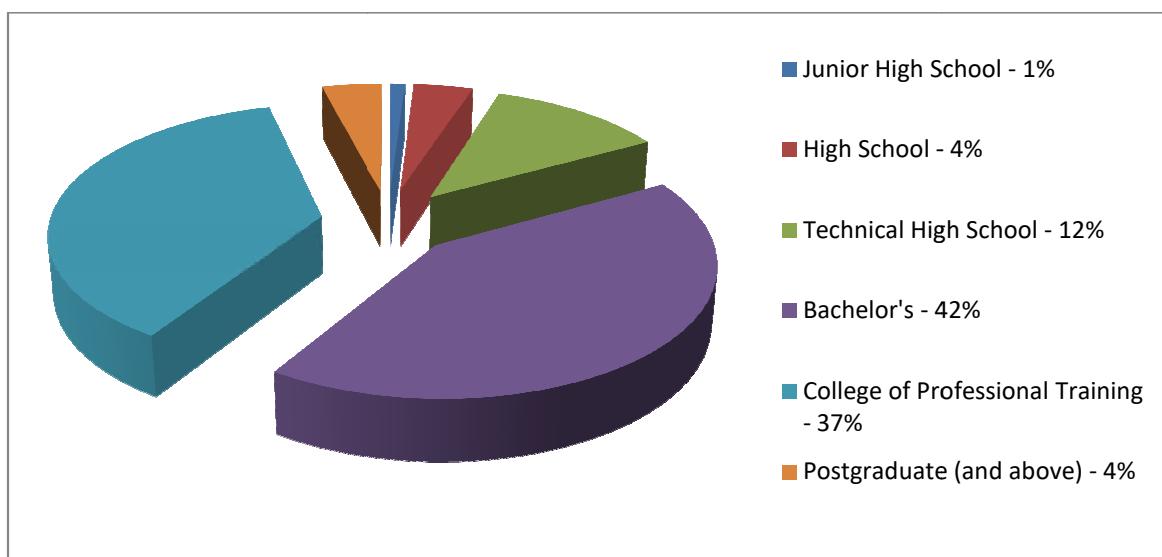
The World Cup was broadcasted in China for the first time in 1978, while the Italian Serie A was the pioneer of the European championships, appearing on the CCTV channels in 1989. Today's middle-aged people were kids, teenagers or young adults living in a society that was surely poorer but also less competitive. Part of the fame clubs like Juventus, AC Milan, Inter Milan, the Italian league or the Italian and German national teams enjoy still now is due to their popularity in that period. So true it is that, during my early days in China, arguing with

⁸⁰ Here the word "teenagers" refers to individuals until the age of 18. At that time students are supposed to take the Gao Kao (高考), the exam that marks the end of the high school and defines the academic future of the examinees.

taxi drivers about the lost greatness of my country's football was one of the best ways to fight homesickness and bewilderment.

Educational Background

Figure 5: Chinese football fans educational background



In China, there are two educational paths an individual may follow: completed the junior high school (初中), students enrol in either high schools (高中) or technical high schools (中专). The same differentiation occurs at the undergraduate level, as bachelor's (本科) are opposed to the colleges of professional training (大专). At the postgraduate (硕士) level the ambivalence ceases to exist.

The great majority of football fans are individuals who concluded their education at the undergraduate level (79%)⁸¹.

Income Levels and Spending Behaviour

In urban areas, where the greater part of the Chinese fans resides, the distribution over the different income banks is almost homogeneous: low income – 30%; medium income – 31%; High income – 36%⁸². The urban middle class is already the home of the European football

⁸¹ SUN, Baojie 孙葆洁; LI, Jianqiao 李剑桥 and LIU, Zhu 刘柱 *Op. Cit.*.

⁸² NIELSEN SPORTS, *China – Next Generation Sports Consumers*, 2018

lovers and, as it keeps on expanding and improving its living conditions, it will increasingly be in the future.

Surprisingly, Chinese fans allocate much less financial resources to football related products than their European counterparts. Most of the expenditures are directed to merchandising as match-day tickets, the prime expense item of western supporters, are clearly out of reach.

Setting aside the well-known issues referring to brand protection and counterfeiting in the market, Chinese fans show an evident preference towards online official stores when purchasing their favourite team products: the club online stores, the kit sponsor online stores, the TMall (天猫) and JD (京东) club stores represent the most popular solutions.

With regards to pay-per-view matches, the Chinese audience is now opening to purchase cheap subscriptions to follow European and domestic football. This is the result of the emergence of new online broadcasters that began sharing the market with the central television sports channels CCTV5 and CCTV5+. While during season 2018/2019 the Champions League was still available at public access, many matches of the western leagues were a PPTV exclusive (the streaming platform owned by Suning Group).

Reasons Behind the Interest in Football

The meanings of “dramatic emotion” and “aesthetic emotion” have been exposed previously during the chapter. It is now time to bear them in mind as they are extremely functional to understand what arouse the average Chinese football fan’s interest.

Chinese fans love drama. The chance to enjoy a tight game seasoned with a decent quantity of goals is the first motivation that drives supporters to the stadium or in front of a screen. Beyond the sense of belonging to one or another club, regardless of the membership to a sporting community, supporters’ desires are fulfilled when the uncertainty of the outcome of the match is complemented with spectacular plays.

Another trait defining the Chinese supporters is represented by the willingness of acquiring or improving their knowledge about the game. The technical and tactical aspects are more and more taken into consideration as a discriminating factor to follow matches. While the mass football culture in China is still at its earliest stage, it is possible to imagine that the consumers’ evolution will lead to increasingly specific, knowledge-tied requests.

The presence on the pitch of world-class stars and role model, selected either for their skills or for their social appeal is obviously a strong source of attraction too.

On the contrary, the main argument of those who do not show interest in the game refers to their incapacity of understanding the rules and the dynamics behind it. Other restraints are represented by the fact that they did not grow up with football or by the lack of interest in football in the people forming their social circles.

Sources of Football News

China has something like 800 million internet users, 98% of which are mobile⁸³. Smart phones, tablets, and personal computers have become a substantial part of the life of Chinese citizens, overshadowing the traditional sources of information in a even deeper manner than what has happened in the western societies.

Chinese fans now utterly rely on interactive platforms to get their sporting news. The clubs' Weibo (微博) and WeChat (微信) official accounts are the most accessed of them. Web portals, dedicated apps and key opinion leaders⁸⁴ follow close behind.

A section of the second chapter will be devoted to an introduction to the apps one should take into account when engaging with Chinese fans.

Supporting Choices

You would not believe me if I say that, during my stay in the Celestial Empire, the most common answer to "Which is your favourite football team?" was "Cristiano Ronaldo". Well, you should. The majority of Chinese fans support international players rather than teams and their relationship with them is very close to the one most of us have with the favourite musician, actor etc. The remainder is divided into who did develop a passion for a club and who identifies himself with both an individual athlete and a team. However, some of those

⁸³ McCARTHY, Niall, *China Now Boasts More Than 800 Million Internet Users And 98% Of Them Are Mobile*, August 23, 2018,

<https://www.forbes.com/sites/niallmccarthy/2018/08/23/china-now-boasts-more-than-800-million-internet-users-and-98-of-them-are-mobile-infographic/#2bd170457092>, 12-08-2019.

⁸⁴ Key Opinion Leaders (KOLs) are a particular subject experts people call in when they want a quote or credible opinions about some current topical issue.

who feel a real connection with a European reality have been triggered by the presence of a star-player in the squad ranks.

As observed earlier in the chapter, the features of today's popular athletes have changed at a global level. Exceeding the boundaries of the football pitch and the performance, they turned into entities increasingly untied to the “companies” they work for. At the same time, their social influence is greater than ever and many of the fans hold them as role models. This is even more true in the Chinese scenario.

Except for the presence of the favourite star-player, the major reasons that motivate Chinese fans to follow a particular team include: playing style and team values; attractive players in the line-up; ability to provide appealing social media content and family or friends influences⁸⁵.

It is fundamental for the external viewer to understand how important is the ability of the clubs to create cultural and values driven bonds to ensure the fidelity of the Chinese fans. Just as players become role models because of their physical aspects and down-to-earth behaviours, teams may be awarded with unconditional love if able to understand the fans' feelings and create a sense of mutual recognition⁸⁶.

Another factor to take into consideration is social media. The Chinese population has an incredible natural propensity for entertainment and media content, backed in his turn by the high technological level of the country's major cities. The ability to design original products and attractive platforms could really make the difference when exploring different categories of followers.

⁸⁵ MAILMAN GROUP, *Op. Cit.*

⁸⁶ An emblematic representation of what described here is provided by the brief documentary “*Bayern Football Fans in China / Fans Around the World*” by DW KICKOFF. (<https://www.youtube.com/watch?v=ma9XfG5Rjk>) The fan interviewed explains how his supporting choices shifted from his first individual idol Lothar Matthäus to the German national team, and finally from the German national team to Bayern Munich because of the sense of recognition and shared values he discovered in the Club.

CHAPTER 2

EUROPEAN FOOTBALL CLUBS IN THE CHINESE MARKET: ENTRY MODES

While the first chapter aims at providing the reader with a comprehensive overview of the main aspects to be taken into account when operating with football in China, the second more pragmatically focuses on the European clubs' strategies to exploit the target market.

After a long, detailed observation of the existing opportunities and implemented modalities, six areas of interests have been identified: grassroots football and training academies; summer tours and promotional friendlies; e-sports; social media and communication; Chinese football players signing and Chinese club ownership.

2.1 GRASSROOTS FOOTBALL AND TRAINING ACADEMIES

The Current State of Affairs

Five circumstances existing in the Chinese football systems exhaustively explain why grassroots football and training academies offer huge business opportunities to European clubs:

1. As already seen, following the release of the 2015 “Overall Chinese Football Reform and Development Programme”, football has become a major issue on the governmental agenda. The resources devoted to the development of the national game are increasingly high as Xi’s Chinese Football Dream is meant to take shape over the next few years.
2. Chinese kids and teenagers do not have much time to dedicate to football. This not only influences their supporting choices but also affects the way in which the education to the game is carried out. As a result, in China great part of the process takes place through schools and institutions. Academies usually works in cooperation with selected schools – where football has become a mandatory subject included in the weekly schedule – or through limited sessions held in the afternoon or during the evening.
3. From 2017 on, CSL clubs are required to possess at least three youth teams (U19, U17 and U15), clubs belonging to China’s second-tier championship, Jia League, are asked for two.

(U17 and U15)⁸⁷. Consequentially, clubs are more interested in and encouraged to tie themselves to schools and academies able to provide professional training to the youngest. According to CFA official data dating September 2017, all the sixteen CSL clubs possess one youth team, thirteen of them three or more. Worse is the situation of the Jia League: six clubs over sixteen do not register youth teams at all, many turn to local schools and academies for the talent search.

Figure 6: Chinese teams name and distribution (Source: Terçera Divisão Chinese – Facebook page)



4. China's football culture is young and its expertise in the field truly underdeveloped.

The CFA first integrated its training structure in the Asian Football Confederation (AFC) in 1998. The training pyramid is since then composed of six levels of specialization. Courses for goalkeeper coaches, physical trainers and managers have also been established.

The number of Chinese coaches available and the number of instructors entrusted with their education result particularly relevant for the purpose of this research. In 2017, professional level coaches were 148, A level coaches 930, B level coaches 2.051, C level coaches 9.926 and D level coaches 27.625, for a total of 40.680 individuals. Definitely not sufficient to meet the increasingly high demand and fill the market. The figures related to the instructors are

⁸⁷ Directives contained in a note issued by the CFA in January, 2017, named “Strengthening Management and Guidance to Promote the Healthy and Stable Development of Professional Leagues”.

Original title: 《加强管理与引导促进职业联赛健康稳定发展》

even more worrying: 3 for the A level, 9 for the B level, 12 for the C level and 67 for the D level⁸⁸.

Table 4: six levels of specialization for coaches in China

Level	Institution	Qualification
Professional trainer	AFC and CFA jointly	National football teams at all level and CSL teams head coach.
A	“”	Jia League teams head coach; CSL teams assistant coach.
B	“”	Yi League (3 rd tier league) teams, CSL and Jia League reserves and youth teams (U19, U17) head coach; Jia League assistant coach.
C	“”	National non-professional team head coach; youth teams head coach (U15) or assistant coach (U19, U17); reserves teams assistant coach; non-professional teams head coach.
D	CFA central institute	Grassroots coach
E	CFA local branch	Grassroots coach (entrusted by the local federation), excellent candidates may participate in D levels training.

5. The industry is still relatively young and part of the supply presents substantial quality issues.

Some academies have born with the mere purpose of emptying the middle class families' pockets. On December 30th-31st, 2018, for instance, a well-established private institute held a two days workshop named “I am Mbappé”. Children from four to twelve years old were promised to learn the skills of the French ace for a sum between 57 and 95 Euros, in less than 24 hours. Many questions regarding the exploitation of the image rights of the PSG player arose⁸⁹.

The lack of qualified personnel is frequently compensated by unprepared students, amateur players and individuals whose only merit is looking western. Many times foreigners are offered to conduct well-paid trainings in schools or private sessions without even inquiring about the previous coaching experience. In the end, external professional are still seen as the most reliable and appealing resource of expertise.

Business Models

In response to the abundance of financial resources, the great demand and the huge potential of the market, many forms of businesses have emerged.

⁸⁸ SUN, Baojie 孙葆洁; LI, Jianqiao 李剑桥 and LIU, Zhu 刘柱, *Op. Cit.*

⁸⁹ GINEPRINI, Nicholas, *Come Funziona Veramente il Calcio Giovanile in Cina: Il Caso ‘I Am Mbappé’*, December 19, 2018, <http://www.calcio8cina.it/come-funziona-veramente-il-calcio-giovanile-in-cina-il-caso-i-am-mbappe/>, 19-08-2019.

A significant part of training academies currently operating in China is represented by private ventures launched by Chinese groups and citizens in cooperation with schools and institutes. The great part of them belongs to one of the three following categories:

- academies bringing to China foreign coaches and training systems;
- academies founded in partnerships with foreign football clubs to obtain specialized staff and training systems;
- academies forging their own coaches and training systems as a result of their individual researches and formulations⁹⁰.

Kegoal (恒圣体育) is a successful example falling in the first type: having acquired the exclusive rights of exploitation of the teaching systems of well-known German teams, the institute has been able to cover seven provinces in China, educating around 1500 school instructors.

Inter Milan FC is the foreign club entitled with the highest number of academies in China. Launched over the years in partnership with local entities, the cities of Beijing, Shanghai, Nanjing (Sun Group's home city), Shenyang and Chengdu all count at least one facility under the name of the *Nerazzuri*. At the end of season 2017/2018, Inter Academies related revenues were equal to €8.5 million, the majority of which coming from the Chinese branches. Another €3.5 million stemmed from the know-how sharing with Jiangsu Suning FC⁹¹.

Interesting is the case of Hobbitsoccer.com (哈比足球): belonging to the group of academies that developed a distinctive philosophy, the company focuses on the education of young athletes up to 14 years old. Their services are provided both online, with several courses available on the official app and website, and offline, as they partner with local educational bureaus and schools.

For foreign clubs, similar deals represent easy gateways to enter the Chinese market. They provide the opportunity of reaching segments of the population and collecting service fees valued hundreds of thousands, even million Euros. However, a certain degree of attention must be paid, especially when the agreements involve the granting of the club's trademark over a long period. Like in many other industries in China, brand protection, the conservation of quality standards, and performance assessment are critical issues.

⁹⁰ SUN, Baojie 孙葆洁; LI, Jianqiao 李剑桥 and LIU, Zhu 刘柱 *Op. Cit.*

⁹¹ CALCIO&FINANZA, *Inter, fatturato record nel 2018: perdita ridotta a 17,7 milioni*, October 26, 2018.

<https://www.calcioefinanza.it/2018/10/26/inter-bilancio-2018-fatturato-record-costi-perdita/>, 30-08-2019.

Fewer but interesting are initiatives like the one carried out in 2017 by FC Bayern Munich and Qinghua University, China's best athenaeum. The German teams' professionals exclusively assist the Chinese side in the expansion and improvement of its "Centre for Development of Sports Industry (TUDSI)" established the year before⁹².

In recent times, forward-looking wealthy clubs have begun establishing stable football schools partly reproducing the original educational system implemented at home. These structures embrace all aspects of the young athletes life as they are thought to fit the peculiarities of the Chinese society and provide valuable formation that exceeds the boundaries of the football pitch. In turn, foreign clubs may obtain revenues, priority claims on young athletes attending the schools and an extremely valuable long-standing position in the community tied to the place where the institute is located.

In July 2017, FC Bayern Munich announced its plan to open a football school in Shenzhen by the end of 2019. According to the Bavarians, the institute will be able to host up to 1.000 kids and teenagers coming from the surrounding area. The students, for whom dedicated dormitories have been designed, will not only attend trainings but also educational courses equivalent to the ones offered in primary and secondary schools. Facilities will include six 11 a-side football pitches, fourteen 5 a-side football pitches (indoor and outdoor), a fitness centre, technique and tactics seminar rooms, a nutrition rehabilitation centre, an area for fans and fan clubs, a FC Bayern museum, and a high-tech football training ground⁹³.

In 2018 FC Barcelona opened its own centre at Haikou, Hainan island, in partnerships with Mission Hills Group. Next to the Barça Academy Pro, which replicates the operating model of the celebrated La Masia, the project encompasses an experience area, a megastore and section dedicated to restaurant services⁹⁴.

Similar projects represent innovative moves as they release the clubs from the relationship of exchange – services per money – that characterizes other traditional approaches to the Chinese market. Incorporating an essential part of the Chinese society, children's education, through a stable presence on the field entails a brand-new, positive attitude toward the local communities.

⁹² Bayern Munich FC official website, <https://allianz-arena.com/en/news/2017/04/bayern-and-tsinghua-university>, 20-08-2019.

⁹³ Bayern Munich FC official website, <https://fcbayern.com/en/news/2017/07/fc-bayern-football-school-in-shenzhen>, 21-08-2019.

⁹⁴ FC Barcelona official website, <https://www.fcbarcelona.com/en/news/914844/fc-barcelona-opens-barca-experience-in-haikou>, 21-08-2019.

Case Studies

In order to provide the reader with a better understanding, the overview of the operational models of two successful comprehensive academies is provided below. These are the Real Madrid – Guangzhou Evergrande academy, the world's biggest football school, and the R&F Soccer School, a cooperation between Chelsea FC and Guangzhou R&F, Guangdong's second team, who chose to implement a distinctive strategy.

The Real Madrid – Guangzhou Evergrande Academy

76 pitches (50 of them full-size), 2800 students from all over the country (2600 males, 200 females), an investment of \$185 million. The greatest area ever dedicated to a football institute, the highest number of attendees and facilities. In a few words: the world's largest football academy.

Opened in October 2012, the endeavour is the result of the partnerships between two of the wealthiest clubs on earth⁹⁵.

Built by the real estate giant Evergrande Group, the Guangdong Tigers' majority shareholder, the academy is located in Qingyuan, a municipality adjacent to the north boarder of Guangzhou.

During their lives inside the school, students are provided with dormitories, primary and secondary education and football trainings managed and overseen by Real Madrid professionals.

In 2016, the school registered its first class of high school graduates: 37 out of 40 joined Jia League and Yi League teams, while the remaining three pursued advanced studies. Kids are firstly enrolled at an age between six and eight years old.

The tuition fees vary according to several parameters ranging from Rmb 10.000 (around €1.250) and Rmb 60.000 (around €7.650). Partial and full scholarships are granted to excellent candidates. Thanks to this, football becomes an opportunity for talented kids belonging to low income families to receive a comprehensive, qualifying education.

⁹⁵ STAYTON, Jonathan, *Guangzhou Evergrande: Inside China's \$185M Football Factory*, March 16, 2016.
<https://edition.cnn.com/2016/03/15/football/football-china-guangzhou-evergrande/index.html>, 21-08-2019.

The academy's philosophy is articulated in two points: football to become the students' distinctive skill and favourite activity without neglecting traditional education; simultaneously creating athletes with a strong cultural background and well-educated individuals specialized in football. This is achieved by managing the courses in accordance with the standards of Guangdong's first-class primary and secondary schools. The knowledge necessary to efficiently administer the institute is obtained through the cooperation with the middle school affiliated to Renmin University of China, an historical athenaeum located in Beijing.

A similar emphasis on the educational background is necessary for two major reasons: Chinese parents require the academy to be the place in which children both increase their chances to reach football's top level and receive a valid, expendable education; only 5 to 10 per cent of the graduates will be statistically able to join first-tier clubs as professional football players. The remainder must be prepared to fill other roles in the society⁹⁶.

R&F Soccer School

Opened in September 2013, the British-Chinese venture was one of the first of its kind. Nowadays, it still represents a case worth studying because of its distinctive features.

First of all, the academy is located in Meizhou, more than six-hundred kilometres far away from Guangzhou. The area surrounding Meizhou holds a particular position in the Chinese football narrative: it was recognized as the "hometown of football" by the National Sports Committee back in 1956. Many famous players of the past have been born and grown there. R&F hopes to continue the tradition.

Obviously, R&F Soccer School students are provided with a comprehensive education ranging from formal courses to football trainings. While primary education is carried out in cooperation with Dongshan Middle School, the club is already planning to build its own high-school inside the facility, alongside dormitories, a canteen, classrooms, laboratories etc. Football trainings are designed and conducted by Chelsea professionals.

The R&F academy is now home of 250 young athletes aged 7-15, less than 10% of the ones residing in the institute run by Real Madrid and Evergrande. The emphasis is placed on quality over quantity. Beside a group of pupils coming from the local area, many students have arrived from different parts of the country, where the club has established a wide

⁹⁶ SUN, Baojie 孙葆洁; LI, Jianqiao 李剑桥 and LIU, Zhu 刘, *Op. Cit.*

network of cooperation with football bodies and schools. To prevent homesickness, isolation and other distance-related issues, students are compelled to leave the academy during weekends. At the same time, the management is planning a partnership with the local government, aiming at providing job opportunities to the parents who want to closely support their children.

All-inclusive tuition fees stand at Rmb 30.000 (around €3.800) per year. Twenty 3-years scholarships are offered to students reporting academic and sporting excellent profiles⁹⁷.

The educational path inside the academy is divided into three stages of selection: at the primary school level – the first and easiest one – weak candidates are sent back to formal institutes to continue their formation; weak secondary school candidates are enrolled in high school specialized in sports education; successful graduates are provided with three possible development solutions. Excellent football players join Guangzhou R&F reserves team; second-tier athletes become part of the South China University of Technology of Guangzhou's football team while attending bachelor's studies; the remaining may either study to become coaches, trainers etc., or seek employment in the R&F property group⁹⁸.

⁹⁷ ROSS, Donald, *Training the Next Generation at the Guangzhou R&F Soccer School*, July 26, 2017, <https://wildeastfootball.net/2017/07/training-next-generation-guangzhou-rf-soccer-school/>, 22-08-2019.

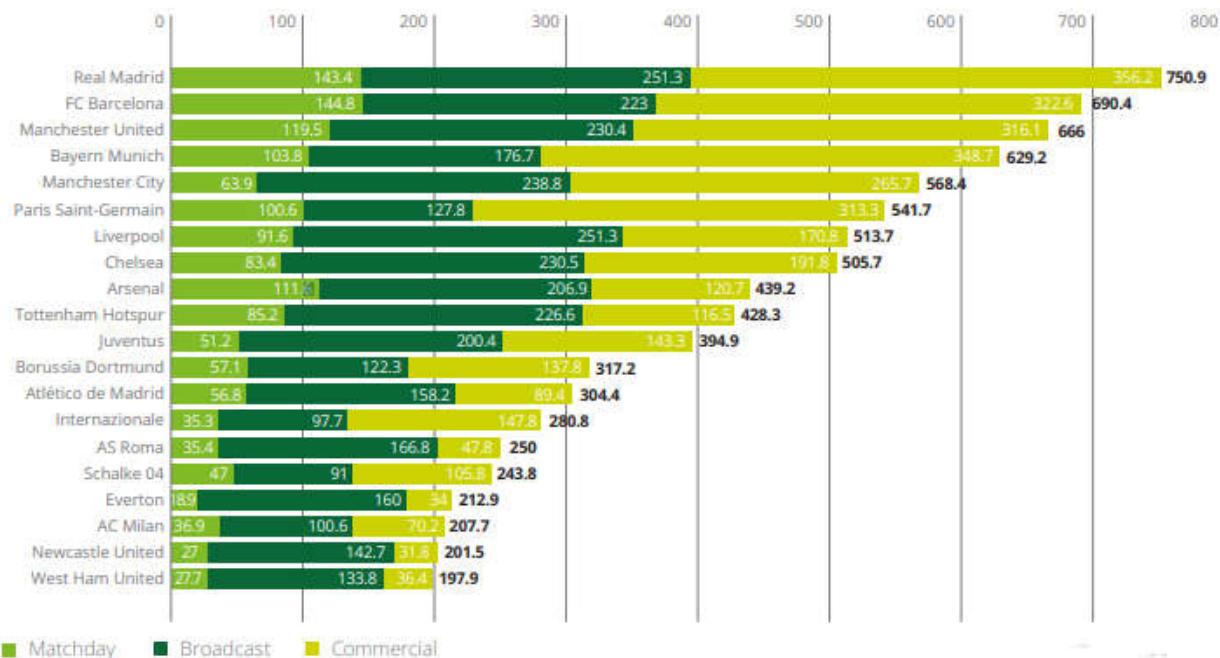
⁹⁸ SUN, Baojie 孙葆洁; LI, Jianqiao 李剑桥 and LIU, Zhu 刘, *Op. Cit.*

2.2 SUMMER TOURS AND PROMOTIONAL FRIENDLIES

It is July, and the debate among fans across Europe is finally opened again: “why do my team has to travel enormous distances to play matches in remote corners of the world, putting at stake the effectiveness of the pre-season trainings?”. Although it may seem disappointing, the answer is as simple as clear: commercial revenues.

Commercial revenues are one of the three pillars sustaining the turnover of a football club. The other two refer to match-day income and the selling of broadcasting-media rights. the latter also includes monetary prices deriving from national championships and European cups placements.

Figure 7: Top 20 European Clubs revenue profile – 2017/2018 (Source: Deloitte football money league 2019)



It follows that the increase in commercial revenues, as well as in the other two items, is an essential requirement to preserve or enhance competitiveness. Furthermore, as figure 7 shows, the greatest clubs’ revenues structure sees a well-defined prevalence of commercial revenues over match-day and broadcasting ones. The reason behind this relates to the nature of the different income streams: while match day is relatively limited and broadcasting varies on annual basis, commercial offers financial security and a huge growth potential.

Nowadays the major source of commercial revenues is represented by sponsorship agreements, as more appealing clubs are able to strike richer deals. For instance, Real Madrid,

Manchester United and Barcelona respectively cash €70, €62 and €55 million from their jersey sponsors (Fly Emirates, Chevrolet and Rakuten)⁹⁹. Kit suppliers are another important voice in the clubs' accounts: Adidas renewed its partnership with the *Galacticos* by signing a 10-years contract worth €1.100 million¹⁰⁰. The German company also increased the annual fee to be paid to Juventus – from €23 to 51 million per season – following the arrival of Cristiano Ronaldo in Turin¹⁰¹. The record-deal still belongs to Barcelona and Nike, who is willing to pour €155 million into the *Blaugrana*'s coffers every year since 2018¹⁰².

Obviously, world-class companies as today's football clubs elaborate global and regional sponsorship strategies that go beyond similar impressive deals, each one according to the nature of both the club's management and the target market.

Summer tours and promotional friendlies, on their turn, serve purposes more relevant than one could imagine. First, they provide clubs with the chance of collecting substantial participation prizes and merchandising related revenues; second, they represent great opportunities to promote the brand and come in contact with local entrepreneurs and entities interested in the business of football; third, they are one of the key elements useful in shaping the relationship between club, local fan base and new potential supporters. The sum of revenues collected during the single tour, thus, should not be considered as the only parameter when assessing the success of a venture. Conversely, the ultimate goal should consist in building a solid, enduring, local community of supporters able to back the club over the long period, both on the financial and sporting aspects.

The Summer Tour Evolution

Summer tours in China have not always been as popular as today. It is only from the seventies onwards that the western club's engagement with the country experienced an

⁹⁹ MARCA, *Emirates pagará 70 millones anuales al Madrid hasta 2022*, September 21, 2019, <https://www.marca.com/futbol/real-madrid/2017/09/21/59c3b557ca474103068b463d.html>, 25-08-2019; FC Barcelona official website, <https://www.fcbarcelona.com/en/news/752333/rakuten-sponsorship-deal-with-fc-barcelona-begins>, 25-08-2019.

¹⁰⁰ CARPIO, Carlos, *Real Madrid y Adidas ya tienen listo el contrato de los 1.100 millones*, November 5, 2018. <https://www.marca.com/futbol/real-madrid/2018/11/05/5bdf5598e5fdea6b788b4618.html>, 25-08-2019.

¹⁰¹ DE SANTIS, Marco, *Quanto contano i ricavi commerciali*, January 29, 2019, <https://www.ultimouomo.com/ricavi-commerciali-barcellona-juventus-manchester-city/>, 25-08-2019.

¹⁰² SKY SPORTS, *Barcelona confirm record kit deal with Nike*, October 29, 2016, <https://www.skysports.com/football/news/11833/10637904/barcelona-confirm-record-kit-deal-with-nike>, 25-08-2019.

escalation. A fair amount of clubs from different backgrounds now explore the Asian giant every year, seeking for new sporting and business opportunities.

This section of the paragraph proposes an history of the western club's tours in China, with a particular focus on the different approaches that resulted in either success or failure.

It happened more than a few times in history that sports and politics crossed their paths. It happened twice in the occasions of both the first club belonging to a non-communist country and the first club coming from the Western Bloc to visit China for a series of football matches.

Brazilian side Madureira Esporte Clube officially entered the People's Republic of China in 1964, where the players and the staff were officially welcomed by Mao Zedong himself in Beijing. The club, inspired by revolutionary values, had already visited Cuba and its famous commander Ernesto "Che" Guevara the previous year and were now touring the middle kingdom as the pioneers of the international friendlies in the country. They were the first guests coming from outside the soviet area of influence hosted in mainland China in history. Curiously, their returning home would become an affair of state: the venture in the far east was not allowed by the pro-American Brazilian government. Following the escalation of the diplomatic issues, the players were forbidden to leave the RPC by foreign minister Zhou Enlai, who later exchanged them for Chinese prisoners jailed in Brazil¹⁰³.

The second Latin American visitors arrived in October 1975: Mexico City's Cruz Azul participated in four matches in Beijing, Shanghai and Guangzhou¹⁰⁴.

The milestone of promotional tours in China, however, was laid in 1977. During their worldwide kermesse, the New York Cosmos led by Pelé and Franz Beckenbauer stopped in Beijing and Shanghai to play two matches against a Chinese selection (a draw and a loss respectively). The club's undisclosed biggest fan, promoter and donor of the period answered to the name of Henry Kissinger. President Nixon's National Security Advisor gave substantial contribution to the normalization of the relations between the US and the PRC during 1971 and 1972, a process earlier initialized by the so-called "ping-pong diplomacy"¹⁰⁵. The venture days were lately recalled by the American team's goalkeeper Shep Messing:

¹⁰³ OLIVEIRA, Rafael, *Há 50 anos, Madureira fazia visita inédita a Cuba e tirava foto com Che Guevara*, September 22, 2013,
<https://extra.globo.com/esporte/ha-50-anos-madureira-fazia-visita-inedita-cuba-tirava-foto-com-che-guevara-1007855.html>, 25-08-2019.

¹⁰⁴ BAGOZZI, Marco and BISCEGLIA, Andrea, *Op. Cit.*

Our trip to China was almost a surreal experience. The China of 1977 had a billion people dressed in green and a billion dressed in grey and 80,000 people literally drove their black bicycles to the game [...]. When you walked out the hotel people would stare at you and follow you, like it was something you were had never seen before. Franz and Pele were like kids, they couldn't believe the impact we had on a country like China.

The tour would eventually entail a 13-course state banquet and an attempted murder¹⁰⁶.

Once opened the way, a growing number of western clubs started visiting the country.

In 1978 it was the turn of West Bromwich Albion, Sporting Lisbon CP and Inter Milan. The Nerazzuri played four friendlies. The one held in Beijing represented the farewell match of the Italian star Sandro Mazzola, who retired right after the tour¹⁰⁷.

In 1983 English side Watford faced the national team twice in Beijing and Shanghai. It is said that President Xi Jinping, in thirties then, enthusiastically attended the match opposing Elton Jhon's team and the Chinese selection.

During those years western clubs tours were limited to matches against national or regional representatives and the business side of the events was much less relevant than what happens today. The game-changer arrived together with the professionalization of the national movement.

After a few years of paralysis following the Tian'anmen incident, in 1993 clubs began consistently returning to China. The establishment of the professional championship and the beginning of the commercial era paved the way for the gradual transformation of the events into the business campaigns they have become today. The new TV coverage of European leagues introduced by CCTV also helped. A part of the fans was now longing for seeing their cities' teams measuring against world-class players, another seized the chances of personally watching the athletes they have learned to love through the screen, yet another was attracted by the circulation of football stars and the arrival of the "real game" in the country. As the

¹⁰⁵ The Ping Pong Diplomacy (乒乓外交 Pingpong Waijiao) refers to the exchange of table tennis players between the US and the PRC in the early 1970s. It began during the 1971 World Table Tennis Championships in Nagoya, Japan as a result of an encounter between players Glenn Cowan and Zhuang Zedong. The event marked a thaw in Sino-American relations that paved the way to a visit to Beijing by President Richard Nixon in 1972.

¹⁰⁶ WILLIAMS, Bob, *New York Cosmos trip to China remembered*, February 11, 2016, <https://www.telegraph.co.uk/sport/football/competitions/major-league-soccer/12152242/New-York-Cosmos-trip-to-China-remembered.html>, 26-08-2019.

¹⁰⁷ BAGOZZI, Marco and BISCEGLIA, Andrea, *Op.Cit.*

enthusiasm grew, foreign clubs initiated their fierce struggle for the conquest of the Chinese consumer. As already pointed out, many Chinese supporters find it difficult to establish a relation of loyalty to a single club. This resulted in a huge group of fly-by-night fans who changed their preferences in conjunction with the arrival of different clubs¹⁰⁸.

In 1994 China welcomed AC Milan and Sampdoria; in 1995 AC Milan, Sampdoria and Arsenal; in 1996 Napoli, AC Milan, Benfica, Maradona's Boca Juniors and Romario's Flamengo. Contrary to what one might think, Manchester United first appearance in the country arrived only in 1999. The English club, one of the top-ranked in the world in terms of Asian and Chinese supporters, carried out a different, successful approach to the customer all through the nineties: they teamed up with TV stations to have their matches broadcasted on a regular basis, live or recorded. Themed shows included direct interaction with the fans and the chance for the luckiest to win official merchandise.

Year 2003 brings with it two stories worth to be told.

When Real Madrid arrived in Beijing to face the Chinese championship all-star team, the SARS epidemic appeared in Guangdong in November 2002 had just ended. The spread of the disease throughout the country had forced the population to extremely limit the interactions between people and between the people and the outside world. They were now returning to normal life.

When the Spanish legends landed at Kunming Airport, the enthusiasm was soaring. Champions such as Zidane, Figo, Raul inflamed the passion and more than them did David Beckham. The player-model was the real celebrity, his popularity among the fans incredible. The *Galacticos*, who trashed the Chinese selection 4-0, reportedly earned some €4,5 million from the venture.

The tour was an unquestionable commercial success. However, it missed something deeper. The population crave for social intercourses was misread for loyalty to the club. Few considered the possibility that the warm welcome reserved to the team could have been the same for many other major European counterparts, especially during such a special period. Even worse, the tour was characterized by a short-term, exclusively commercial focus. Fans had surely gained their "Beckham experience" and a bunch of merchandise, surrounded by an atmosphere of true entertainment. However, during the whole show, little space was left for football itself. Even the members of the Chinese team seemed more interested in bringing

¹⁰⁸ SIMONS, Rowan, *Op.Cit.*

home their personal souvenirs rather than competing with the greatest. The day after the end of the event, its legacy was already over. The beautiful game was set aside and the chances to promote the Real Madrid branded version of it missed¹⁰⁹.

2003 also represented the year in which Liverpool did not visit China. The *Reds* had planned their tour to Shanghai to be held right after the Real Madrid's one. Afraid of the outbreak of the SARS epidemic they suspended the match and the trip was supposed to be cancelled. Having Real Madrid already survived the Beijing venture, this was enough to attract the media's criticism. However, Liverpool chose to make things worse by agreeing to play a friendly in Hong Kong. Chinese fans' reactions resulted in a mix of anger and confusion: the decision gave voice to the nationalist pride of the country while many wondered why the English club turned to the only place with more SARS than Beijing.

In 2005, China unconsciously staged the remote competition between the clubs that more than others had engaged with the Asian market during the period: Manchester United and, once again, Real Madrid. Both the teams relied on external agencies to organize the events – IMG and the Spanish side's local partner respectively. The *Blancos* announced their return to Beijing shortly after the *Red Devils* did: they were going to face the same opponent, Beijing Hyundai FC, just four days before the English rivals.

This time, unlike what happened in 2003, the tour resulted in an all-round failure, whose major cause was the same lack of understanding of the Chinese dynamics that characterised the previous one. There was no more a SARS season to evade from and David Beckham's appealing potential had been downsized, as it was not his first time in China anymore. The management, on his turn, proved himself unable to intercept Chinese media and fans new sentiment towards international tours. A part of the public opinion started criticizing the mere commercial purpose of similar events. Things did not turn better during the match: Beckham, who was ruled out by an injury occurred two weeks before the game, did not take the field. Ronaldo, Owen and Zidane came off in the second half. Many of the fans in the stadium, filled for only half of its capacity, felt cheated. Real Madrid cashed around €3,5 million in four days in China at the cost of several supporters and reputation¹¹⁰.

¹⁰⁹ The two articles here offer a loyal picture of the event:

LARA, Miguel Angel, *Beckham-mania in China on Real Madrid's 2003 Asia tour*, July 17, 2019,
<https://www.marca.com/en/football/real-madrid/2019/07/17/5d2ee2d046163f6e7f8b45ba.html>, 27-08-2019;
CHINA DAILY, *Real Madrid Superstars Arrive in China*, July 25, 2003,
http://www.chinadaily.com.cn/en/doc/2003-07/25/content_249238.htm, 27-08-2019.

¹¹⁰ THE STAR, *Real Madrid's tour of China leaves fans wet and disappointed*, July 26, 2005,

More successful was the friendly match held at Beijing's Workers Stadium on the 26th of July. The club's foundation, MUFC Charity, partnered with MasterCard to integrate the friendly match in the program of the MasterCard Community Cup 2005, the charity project launched by the company in the city. The initiative was welcomed by the public opinion. The match ended 3-0 in favour of the English side, that fielded all its quality interpreters. A 20-years old Cristiano Ronaldo made his first step into the Chinese market¹¹¹.

The following year, 2006, Manchester United once again showed its superior marketing capabilities. The team participated in two friendlies as part of its Asian tour, one of them in Macao. The winning move consisted in tying the game to the pre-opening of The Venetian resort-casino in the Special Administrative Region (SAR). The event included a series of exclusive nights filled with celebrities and matches organized by the NBA. The fans were enthusiasts. Two years later the English club set up one of its first Asian Manchester United Experience Centre right at The Venetian.

2007 was the year of FC Barcelona's second trip to China. However, the *Blaugrana*'s management made some miscalculation. All the best stadia available in the Beijing area were unusable due to maintenance work in sight of the 2008 Olympics. The choice fell on Fengtai, now home of Beijing Renhe, who was not subject to refurbishment. Those who have attended a match there can surely testify that is not exactly the best venue ever. At that time it was even missing some of the elementary facilities for disabled guests. In addition, the Chinese National Team had just been kicked out of the Asian Cup at the group stage and fans were still licking their football wounds. The passion for the game definitely was not at its peak. Lastly, the refereeing team and other members of the staff ran into some unprofessional behaviour during their quest for a picture with Ronaldinho and the other superstars. Not exactly the message the leadership was willing to deliver during the Olympics preparatory year¹¹².

The Summer Tour Revolution: Mimicking Real Competitions

In the last few years, the concept of summer tour has significantly changed: single promotional friendlies opposing European giants to local formations, most often missing a

<https://www.thestar.com.my/sport/other-sport/2005/07/26/real-madrids-tour-of-china-leaves-fans-wet-and-disappointed>, 27-08-2019.

¹¹¹ SIMONS, Rowan, *Op.Cit.*

¹¹² Ibid.

real competitive connotation, are increasingly replaced by matches and tournaments whose aim is to replicate the European “high quality football” fans love all over the world.

In this way, clubs and organizers are able to collect higher participation fees as well as providing the Chinese supporters with a better experience. Also, this kind of events, often held on a cyclical basis, results to be more effective in creating in the local fans a stronger identification with the European clubs they are used to follow.

Major examples of this new type of promotional ventures are represented by the Premier League Asia Trophy, the International Champions Cup (ICC) and the 2017 Audi Summer Tour.

The first is a tournament organized by the English Football Association, held every two years in south-east Asian territories. Of the eight editions, four have been played in Hong Kong, two in Mainland China (Beijing 2009 and Nanjing 2019). The competition’s design entails the participation of four Premier League teams facing each other during two semi-finals and two finals (first place and third place)¹¹³.

The second is arranged and promoted by the American company Relevent Sports. Born in 2013, the cup brings eight to eighteen European teams to confront each other over four continents – North America, Australia, Asia and Europe – during July of each year. From 2015 onwards, at least one Chinese stadium has been the venue of a match belonging to this football festival, with the only exception of 2018. 2015,2016,2017 and 2019 editions all included two to four matches played on Chinese land.

The Audi Summer Tour is organized by FC Bayern during every pre-season. It is held each year in different locations. The 2017 edition consisted of four friendlies distributed over China (Shanghai and Shenzhen) and Singapore, respectively against Arsenal, AC Milan, Chelsea and Inter Milan.

Alongside this two bigger events, other single matches are still organized in the country. This summer, for instance, FC Bayern and Inter Milan have respectively played against the Chinese National Team in Beijing and Paris Saint German in Macao.

It is no secret that the commercial side of the tours is the main causes that drives clubs to the far east. How much do they earn in return for their efforts?

¹¹³ The formula has been changed next to the 2013 edition: up to that year one of the four participating teams was represented by a local selection.

An analysis of the revenues generated by the ICC reveals impressive figures. Considering the sole participation fee, the Italian clubs taking part to the 2019 edition raised a total of €13 million. €6 million to Juventus, €3 million to AC Milan, €2 million to Inter Milan, €2 million to Fiorentina¹¹⁴. The 2017 edition earned FC Barcelona alone \$14 million: according to confidential documents made public by Football Leaks, the *Blaugrana* cashed \$3,25 million for each game played during the tournament, which must be added extra bonuses related to big matches – facing Manchester United and Real Madrid in American was respectively worth additional \$750.000 and \$6,5 million. Interestingly, the monetary awards were also linked to the presence of the club's stars on the field: Messi, Neymar and Suarez had to play at least forty-five minutes per game, otherwise the club would have given up \$750.000 for the Argentinian, \$600.00 for the Brazilian and \$450.00 for the Uruguayan¹¹⁵.

The twelve-days Audi Summer Tour, on his turn, delighted the Bavarians treasury with €14 million estimated revenues¹¹⁶. Nothing bad, considering that it is almost the same amount of money the Europa League winning team receives from the UEFA (TV broadcasting rights and match-day revenues excluded).

Obviously, the profitability of similar events is well explained by the success in terms of fans participation. The majority of the games included in the tournaments registers high percentages of attendance, even sold-outs. Many times, tickets do not come cheap.

More affordable were the matches of the Premier League Asia Trophy: €11-37 (Rmb 88-288) for the semi-finals at Nanjing Olympic Sports Centre (two matches in one day) – more than 40.000 spectators; €37-205 (Rmb 288-1580) for the finals at Shanghai Hongkou Stadium – Sold out: 33.000 spectators.

The ICC entrances came at higher prices: €25-142 (Rmb 188-1099) Inter Milan versus Juventus at Nanjing Olympic Sports Centre – 48.646 spectators; €64-311 (Rmb 499-2399) Tottenham versus Manchester United at Shanghai Hongkou Stadium – Sold out: 33.000 spectators.

¹¹⁴ CALCIO&FINANZA, *ICC, un bottino da 13 milioni per i club di Serie A*, July 22, 2019, <https://www.calcioefinanza.it/2019/07/22/quanto-vale-icc-2019/>, 30-08-2019.

¹¹⁵ CALCIO&FINANZA, *Football Leaks ha rilevato i premi del Barcellona per L'ICC*, November 6, 2018, https://www.calcioefinanza.it/2018/11/06/premi-barcellona-icc-2017/?fbclid=IwAR00C3ak8PDL6luEz9zbQhzmmqs9BanPJ_iudwzPPPofCHtyxI74uMD7dhg, 31-08-2019.

¹¹⁶ DW KICK OFF!, *Bayern Football Fans in China | Fans Around the World*, <https://www.youtube.com/watch?v=ma9XfG5Rxjk>, 31-08-2019.

The most expensive tickets referred to the friendly match played at Macao Taipa Olympic Sports Centre – 16.272 people capacity – by PSG and Inter Milan: €170 each, residents discount available.

While similar fares may somehow be in line with the prices observed in the western championships, Chinese fans are used to much lower expenditures. For instance, the home matches tickets of Beijing Guoan, a first tier club playing in the heart of Beijing, range from €15 to €45 (Rmb 120-350)¹¹⁷.

Besides the economic aspect, events staging competitive matches between European clubs, sometimes characterized by a genuine rivalry, help in creating the feeling of identification with the team's values and features in locals supporters. They also provide them with a replication of the “original” atmosphere breathed at the home stadia. Thus, group of fans organize themselves as it happens in the far west and the venues become tinged with the clubs' colours, while foreign language chants resound. In this way, AC Milan Chinese fans in Shenzhen find themselves reproducing the old Milanese motto “*Milano siamo noi*” (we are Milan, as opposed to Inter Milan) while Nanjing becomes the stage of a series of scuffles between Juventus and Inter Milan supporters, in the context of the Chinese *Italian derby*.

Manchester City Troubled Tour Experience

Although Manchester City may have returned from its 2019 trip to China and Hong Kong with deep pockets, the tour should have represented a real nightmare for the *Citizens* management, subject to harsh criticism throughout and next to the venture.

Chinese fans and media have been deeply disappointed with the club's conduct during the Premier League Asia Trophy and the friendly match against Kitchee held in the former British colony. The English champions, blamed for having neglected the supporters' feelings in favour of their wallets, have provided an example of how a poor approach to the Chinese world and its residents may result in serious image damages, potentially able to affect the relationship with the country and the local communities in the long run.

¹¹⁷ GINEPRINI, Nicholas, *China Files – prezzi folli per le amichevoli estive dei club europei in Cina*, July 19, 2019. <http://www.calcio8cina.it/china-files-prezzi-folli-per-le-amichevoli-estive-dei-club-europei-in-cina/?fbclid=IwAR3Sx4xVgnUBNBMKfXnsJspKtI5ygJCkd9yLtHMM7JjR2laXnqCB29O8hV8>, 31-08-2019.

The three main causes of discontent regard the differences of treatment between Chinese and foreign fans, between Chinese and foreign media, and between the *Citizens*' supporters and those of other teams touring the region.

Everything started in Nanjing, selected location of the Premier League Asia Trophy semi-finals. The club arrived three days later than the expected date, missing some of the stars who had participated in continental competitions during the summer (Aguero, Fernandinho, Marez among others). The first game played by the *Citizens* against West Ham resulted in a clear victory: 4-1. However, the thousands of fans waiting to meet their idols in the post-match were let down, as Guardiola and the players escaped the crowd. During the whole tour, autograph signing sessions were reserved to the holders of VIP tickets, the most expensive ones (Rmb 1.088 in Nanjing, Rmb 1.580 in Shanghai), and even them lamented the scarce willingness of the players to expose themselves to the public. Many did not even have the chance of seeing them, although they had travelled for hours to attend the events.

The other three teams participating to the competition reportedly had another approach to the fans: while Wolverhampton Wanderers focused on engaging with the local supporters, showing them the personal side of the club, Newcastle United and West Ham United sent their athletes to attend a U-12 tournament in Nanjing, granting the young players and the spectators a direct contact with their stars. By contrast, Manchester City professional were holding a meeting entitled “City Football Group: Creating a Truly Global Football Footprint”, whose main topic referred to the club’s commercial expansion in China¹¹⁸.

The local media were not delighted as well. PP Sports, the regional broadcaster of the tour, benefitted from short pitch-side interview with Guardiola, while English broadcasters were provided with full sit-down sessions. Special events had not been handled better: while Chinese journalist were relegated to the role of audience during the Puma commercial showcase in Shanghai, they had been completely excluded by the presentation of the new summer signing Rodri.

In the end, both the match-day experiences and the off-pitch events became sources of discontent.

¹¹⁸ DIXON, Jonathan, *Commentary: Chinese fans' love for Man City goes unreciprocated on home soil*, July 22, 2019, http://www.xinhuanet.com/english/2019-07/22/c_138247215.htm, 01-09-2019.

To make things worse, In Hong Kong the team was involved in the ongoing protests that hit the island. Demonstrators made their voices heard during and after the match, while Guardiola found himself answering sensitive questions submitted by local interviewers.

Thus, if it is true that summer tours in China represent reliable sources of revenues for European clubs, it is also true that they require a certain degree of understanding of and engagement with the local reality. Exclusively money-driven decision frequently provide negative experiences and create resentment that may affect the future profitability and the popularity of the club among the local fans, media, companies and governing bodies.

A better performance has been provided this summer by Juventus. In the context of the ICC match against Inter Milan, played in Nanjing, Shanghai has become location of interesting initiatives. An area of 1.500 square metres under the world-famous Bund was transformed into the Juventus Village. The venue, inaugurated by the club's legends Davids and Trezeguet, included small football pitches, a café, a VR equipped gaming space and the possibility to take special pictures with the Serie A physical trophy. Match-day experience entailed a “watch party” that covered the live streaming of the game and continued through the night at Shanghai's Space club.

During the unveiling of the away kit 2019/2020 held in august in the city, Adidas also presented five-hundred limited edition T-shirts reporting five players' Chinese name and an artwork recalling the Chinese zodiac animals (De Ligt, Pjanic, Ronaldo, Rabiot and Bernardeschi available – €250 each)¹¹⁹. The Italian champions have also opened their first office in Hong Kong to promote the brand in the area.

¹¹⁹ CALCIO&FINANZA, *Juve, in vendita la maglia in edizione limitata con i nomi di 5 giocatori in cinese*, August 13, 2019, <https://www.calcioefinanza.it/2019/08/13/juve-in-vendita-500-maglie-away-con-i-nomi-dei-giocatori-in-cinese/>, 01-09-2019.

2.3 E-SPORTS

Electronic sports – e-sports – refers to competitive gaming competitions. These are carried out on virtual gaming platforms created through the use of electronic or computerized systems and based at every stage on human-computer interaction. The competitive element underlies the very definition of e-sports: the challenge can be between a player and a software or between simple players, single or lined up in teams, battling to achieve a common goal.

To date hundreds of video games make up the e-sports scene. To simplify such a complex and varied phenomenon it is possible to use specific macro categories. These are:

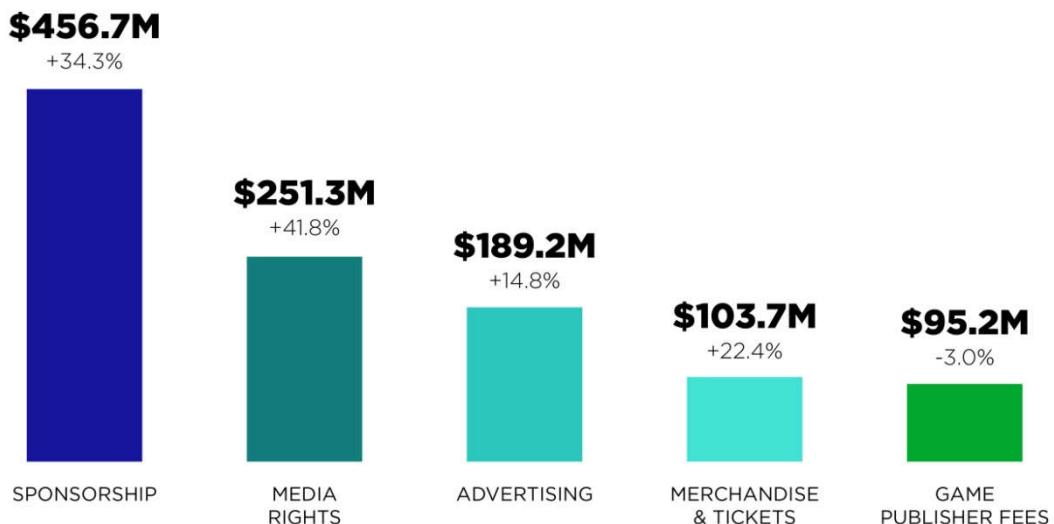
- RTS (Real Time Strategy): the game-time is not divided into rounds but flows continuously, allowing the player to formulate his own strategy at any moment through the use of troops or armies according to a management approach – e.g. *Warcraft, Starcraft, Age of Empires*;
- Fighting Games: the purpose is to battle in various types of matches, through specific fighting arts or by using weapons – e.g. *Mortal Kombat*;
- First-person shooters: they require the players to face enemies in different environments with the typical direct subjective view that simulates the perspective of the main character. – e.g. *Overwatch, Call of Duty, Counter Strike*;
- MMO (Massive multiplayer online): relying on special servers, these games allow thousands of users to face each other online at the same time. They are set in a persistent virtual world in which players challenge themselves to climb world rankings. The most popular of this kind are MOBA (Multiplayer online battle arena) games – e.g. *League of Legends, DOTA2, Fortnite*;
- Traditional sports simulators: the virtual platforms these games are based on are able to faithfully represent all the variables belonging to the traditional sports – e.g. *FIFA, PES, NBA 2k*.

A Global Phenomenon...

Born in the late 1990s, the e-sports industry has experienced an impressive growth worldwide over the past few years. The development of the sector has attracted a significant amount of differentiated business players and consumers, who have entered the e-sports world contributing to its further evolution.

In 2012, the global e-sports economy total revenues equalled \$130 million. They were \$655 million in 2017. To date, the figure has reached \$1,096 billion¹²⁰. According to various projections, it is expected to double within 2023.

Figure 8: 2019 e-sports global revenue streams (source: Newzoo 2019 Global Esports Market report)



Total revenues are divided into five main segments: sponsorship (41,7%), media rights (22.9%), advertising (17.3%), merchandising and ticketing (9,5%), and game publishers' fees (8,6%).

The expansion of the market sees its cause and purpose in the enlargement of the e-sports audience. Compared to the previous year, in 2019 the number of e-sports viewers grew by 15%. 453,8 million individuals now compose the e-sports public, 201,2 million are deemed to be "e-sports enthusiasts", the remaining 252,6 million "occasional viewers". The majority of them are young males, ranging from teenagers to men currently in their twenties.

On average, e-sports fans generate from \$4 to \$5 in revenues each on a yearly bases. A figure set to increase steadily in the near future, but still about a tenth of the expenditure of a traditional sports fan.¹²¹

¹²⁰ STATISTA, *eSports market revenue worldwide from 2012 to 2022 (in million U.S. dollars)*, February 21, 2019. <https://www.statista.com/statistics/490522/global-esports-market-revenue/>, 03-09-2019.

¹²¹ PANNEKEET, Jurre, Newzoo: *Global E-sports Economy Will Top \$1 Billion for the first time in 2019*, February 12, 2019, https://newzoo.com/insights/articles/newzoo-global-esports-economy-will-top-1-billion-for-the-first-time-in-2019/?fbclid=IwAR3SvCG1GN3HfQtwUbkkx9UDChJ_CikqX-AekhtrWOXHfzWY98z4a2U_-4, 03-09-2019.

In 2018, the global games market totalled \$134,9 billion, spread over three categories: mobile games (\$63,2 bn), split into tablet and smart-phone games – 10% and 37% of the total respectively; PC games (\$33,4 bn), inclusive of browser and boxed/downloaded – 3% and 22% of the total, and console games (\$38,3bn) – 28% of the total. \$34,4 billion were generated in China. More than a quarter of the overall sum¹²².

The gamers population has now reached 2,41 billion individuals worldwide¹²³.

The e-sports most successful teams are the real stars of the show: the competitions' prizes rise by the day and the most capable players increasingly take on the role of influencers and opinion leaders. The top 10 e-sports clubs, made up of several professional gamers competing in different disciplines, have already been able to collect more than \$10 million each from tournament awards. At the moment, the highest profits are granted by *Dota2* competitions, followed by *Fortnite*, *League of Legends*, and *Counter Strike*¹²⁴.

The International (TI) is the most famous *Dota2* tournament host by the game developer Valve every August since 2013. It consists of 18 participants and a prize pool that surpassed \$34 million in 2019. In 2017, the sum of the prize pools of the single *Dota2* competitions exceeded \$100 million. \$38 million of those have been won by Chinese teams.¹²⁵ The 2019 *Fortnite* World Cup finals registered the second biggest prize pool in history: \$30.4 million, \$3 million to the winner. The 2018 *League of Legends* World Championships settled for \$6.4 million.¹²⁶

Alongside the expansion and the evolution of the sector, the industry is gradually structuring, welcoming new business players and professional profiles within its scope.

The high stakes have turned the former associations of gamers into proper clubs, provided with all the functions typical of traditional companies and sports entities. The e-sports team

¹²² WARMAN, Peter, *Newzoo Cuts Global Games Forecast for 2018 to \$134.9 Billion; Lower Mobile Growth Partially Offset by Very Strong Growth in Console Segment*, November 2, 2018.

<https://newzoo.com/insights/articles/newzoo-cuts-global-games-forecast-for-2018-to-134-9-billion/>, 03-09-2019.

¹²³ STATISTA, *Number of active video gamers worldwide from 2014 to 2021 (in millions)*, August 9, 2019, <https://www.statista.com/statistics/748044/number-video-gamers-world/>, 04-09-2019.

¹²⁴ EASPORTSEARNINGS.COM, *Team rankings*, <https://www.esportsearnings.com/teams/highest-overall>, 04-09-2019.

¹²⁵ STUBBS, Mike, *Dota 2's \$100 million milestone, visualised*, June 23, 2017, <https://www.redbull.com/se-en/dota-2-100-million-milestone-visualised>, 04-09-2019.

¹²⁶ NORDMARK, Sam, *The top 10 highest prize pools in esports*, August 28, 2019, <https://dotesports.com/general/news/biggest-prize-pools-esports-14605#targetText=The%202019%20Call%20of%20Duty,million%20prize%20pool%20this%20month>, 04-09-2019.

CEO is now responsible for satisfying the players' requests, arranging tournament transfers and taking care of the commercial aspects. The "e-lawyer" is entrusted with tournaments related rights management, contracts drawing, monitoring of regulatory standards, advertising and litigations. Together with similar administrative figures, other sporting position such as e-sports coaches, presenters and commentators have emerged.

The future of the e-sports industry is going to be driven by sponsors – especially non-endemic¹²⁷ ones – media rights and localization.

At the moment, sponsorship agreements account for 41,6% of the total global revenues of the e-sports sector. In mid 2017, the sponsorship deals related to the top twenty teams by prize won and nineteen of the biggest e-sports events by viewership highlighted that endemic brands are responsible for the greatest part of the revenues stream – 88% and 65% respectively¹²⁸. This opens huge opportunities for both the movement to acquire new sources of income and the companies to reach an audience craved by many, the one consisting of young individuals who usually spend very little time watching TV. Projections evidence that the ongoing innovation of the e-sports world and its ability to attract investments will encourage new non-endemic brands to pour money in exchange of visibility, simultaneously contributing to the further development of the sector.

Media rights, accounting for just 22.9% of the total industry value, represent the voice possessing major growth potential. Digital broadcaster and TV companies have already started competing for e-sports content: the online platform Twitch has purchased *Overwatch* streaming rights for a \$90 million fee; Facebook has reached agreements with Electronic Sports League (ESL), the world's biggest e-sports company, and Gfinity's online tournaments; ESPN and NBC Sports secured themselves the *Rocket League* tournament and *League of Legends* contents respectively. In a innovative move, Chinese platform Huya purchased the rights to broadcast the South Korean professional league of *League of Legends*, considered to be the best at global level, in a first attempt of crossing regional and linguistic boarders. The

¹²⁷ E-sports sponsors belong to two categories: *endemic* and *non-endemic*.

Endemic sponsors are brands that create products used in the production or playing of e-sports, such as software and computer component manufacturers etc. They are the most regular sponsors of e-sports competitions.

Non-endemic sponsors are brands that create products not vital to the production or playing of e-sports, such as energy drinks, snack food, other tech companies etc. For the time being, they play a secondary role in the e-sports sponsorship market.

¹²⁸ SPONSORSHIP.ORG, *Endemics vs Non-Endemics: eSports expanding its sponsorship horizons*, August 29, 2017, <https://sponsorship.org/endemics-vs-non-endemics-esports-expanding-its-sponsorship-horizons/>, 04-09-2019.

extent to which similar deals will guarantee return on investment will determine the pace of growth of the broadcasting rights value. Optimistic projections see the category reaching the 40% of the total industry revenues within a few years, a percentage comparable to the one media rights generate in traditional sports leagues.¹²⁹

The potential of localization refers to the fact that while e-sports leagues and teams global connotation has contributed to attract viewers from all over the world, the majority of them has done little to activate local and regional revenue sources. Comparing with traditional sports, which see in ticket sales and regional deals (broadcasting, brands, merchandise) one of the main sources of income – the NBA generates around 30% of its total revenues from ticketing alone – e-sports is still underdeveloped.

Turning local, thus, is considered to be one of the main drivers in the future of the industry. Something is already being done: *NBA 2k League* club Pacers Gaming is now partnering with Indiana Army National Guard, while *Overwatch League* is introducing home games in each participating team's local region in 2020. the bold move will result in the doubling of the league's local revenues within just three years¹³⁰.

...with Chinese Characteristics!

China simultaneously is:

- the biggest e-sports market in terms of fans, counting on more than 170 million general viewers. 57% of the e-sports enthusiasts live in the Asia-pacific region, great part of them in the PRC;
- the second e-sports market in terms of revenues within the end of 2019. \$210,3 million against the \$409,1 million of North America;
- the greatest games market, counting on more than one quarter of the global revenues (\$37,9 billion in 2018). Mobile games lead the way¹³¹.
- the country home to the highest number of gamers. 619,5 million players¹³².

¹²⁹ ESPORTS OBSERVER, *Goldman Sachs Esports Report: Esports Revenue to Grow to \$2.96B by 2022*, July 6, 2018, <https://esportsobserver.com/goldman-sachs-esports-report/>, 04-09-2019.

¹³⁰ Ibid.

¹³¹ PANNEKEET, Jurre, *Op.Cit*

¹³² NEWZOO, *China Games market 2018*, August 3, 2018, <https://newzoo.com/insights/infographics/china-games-market-2018/>, 05-09-2019.

None of this incredible results could have been achieved without a favourable cultural context and governmental support. When the e-sports industry began to develop in the late nineties, China did not miss the chance of becoming one of its major actors. The entrepreneurial spirit of themed magazines, gaming websites and producers during that period forged the audience and the pool of semi-professional and professional gamers of today. On top of this, the Chinese government adopted a supportive attitude towards the sector since the early days, driven by the desires of promoting the IT industry and giving fresh impetus to the economy.

In 2003, e-sports became the 99th officially recognized sporting practice. In 2004, the Sports Ministry and the All China Sports Federation backed the organization of the First China E-Sports games. One of the Chinese torchbearer for the 2008 Beijing Olympics was Zhang Xiangling. The popular Warcraft 3 gamer had been chosen to represent the e-sports category. In 2013, the Sports Ministry founded a national e-sports team.

The development of e-sports and of the related market, however, contributed to the emergence of the gaming addiction, especially among the younger segments of the population. The government addressed the issue by limiting both the time teenagers could spend in front of online games and the access to internet points for U18 during the week¹³³.

2016 signed the beginning of a new e-sports blooming era: in April, the National Development and Reform Commission (NDRC) opened the way to domestic and international competitions run by private companies, based on the premises of intellectual property protections and good guidance to teenagers; “the 13th Five-Year Plan of Sports Industry development” launched in July put strong emphasis on the role of e-sports; in September, e-sports management and education was introduced in Chinese higher education as a new major.

The “One Belt One Road Sports Development Plan” issued in July 2017 by General Administration of Sports (GASC) in cooperation with the National Tourism Administration provided measure for the promotion of e-sports and the construction of standard e-sports venues.

GASC itself holds and supports domestic official e-sports competitions, the most important being the National Electronic Sports Tournament (NEST), the National Electronic Sports Open (NESO), the China University E-Sports League (CUEL), the China Mobile E-Sports

¹³³ ZHOUXIANG, Lu, “E-sports in China: History, Issues and Challenges”, in SULLIVAN, Jonathan (edited by), *China Football Dream*, Nottingham, University of Nottingham, 2018, pp.89-92

Games (CMEG), and the International E-sports Tournament (IET). For what concerns international competitions, the World Cyber Arena (WCA) – one of the major tournament at global level – received €25.6 million funds by the local government of Yinchuan.

The government's most impressive commitment, however, refers to the establishment and the construction of “e-sports areas” across the country. E-sports villages have already been established in localities as Taicang, Zhongxian, Mengzhou, Hulu Island, Wuhu, Zhangqiu, Guanshan¹³⁴.

Other major cities are now becoming home of huge pilot projects: Hangzhou had its “e-sports town” opened before the end of 2018. The area, which required a \$280 million investment, will be provided with an e-sports academy, an hospital and a hotel. It will also act as LGD gaming’s *League of Legends* team home venue. In 2022 the city will host the 19th edition of the Asian Games, the first including e-sports as official competing discipline¹³⁵; Hainan province, set to become a free trade zone in 2020, will also have its e-sports complex soon. Tencent Holding and the local government have reached an agreement for \$145,6 million funding to turn the island into a “global e-sports harbour”¹³⁶; in August, NetEase revealed its plan for a \$700 million e-sports stadium to be built in Shanghai. The local authorities had announced new e-sports venues regulations just some days before, classifying the facilities in four different orders of size and importance¹³⁷.

The Chinese E-sports World: Leading Actors and Peculiarities

As it frequently happens in many other sectors, China has its own peculiarities differentiating it from the rest of the world. Who are the leading actors inside the Chinese e-sports world then?

Tencent Games is the dominant games publisher and distributor as well as online gaming company. In 2015, the branch of the Chinese telecommunication giant purchased Riot Games, the creator of the world’s most popular MOBA, *League of Legends*. Three years before it had already finalised the acquisition of the 48,4% of Epic Games, the American company that

¹³⁴ XIYI, Mao, “China Esports Marketing Buisness Report”, *Wanplus* (玩加电竞), March 2018.

¹³⁵ FITCH, Adam, *Hangzhou opens its own esports town*, November 21, 2018.

<https://esportsinsider.com/2018/11/hangzhou-esports-town/>, 08-09-2019.

¹³⁶ CHEN, Hongyu, *Chinese Island Province of Hainan Plans \$145,6M Esports Development Fund*, June 24, 2019, <https://esportsobserver.com/hainan-esports-dev-fund/>, 08-09-2019.

¹³⁷ YI, Xing, “Shanghai announces esports venues”, August 6, 2019,

<http://www.chinadaily.com.cn/a/201908/06/WS5d48cc8fa310cf3e355640b3.html>, 08-09-2019.

developed *Fortnite*. Thanks to this manoeuvre, Tencent secured itself the distribution of the game inside the PRC. Besides this globally famous titles, Tencent owns the rights of a varied range of games. 147 mobile games and *Battlegrounds*, *Fortnite* greatest market rival, among the others.

NetEase is Tencent Games' biggest competitor. Thanks to its partnership with Blizzard Entertainment, it is entitled with the rights of the Chinese versions of *World of Warcraft* and *Overwatch*.

Perfect World is China's third largest distributor, providing the local market with extremely successful games the likes of *Dota2* and *Counter Strike*¹³⁸.

Tencent leadership, however, is unquestionable: the company published nine of the top ten streamed games in 2018 in China. It also broadcasts the most followed professional leagues in the country and owns shares in both the two most popular online streaming platforms, Douyu and Huya.

Interestingly, the comparison between the ranking of the top ten streamed games in China and on Twitch – the western world's most popular streaming platform, blocked inside the PRC territories since September 2018 – highlights a strong difference in the preferences of the two audiences.

¹³⁸ BRUNI, Alessandra, *eSports explosion in China: the Game that turns to be a Profession*, April 8, 2019. https://en.cifnews.com/esports-explosion-china-videogame/?fbclid=IwAR0Ha1RjbXE-R2Bpn_8bJpzZzTiKK4jQ1KebvC8t7OTnvOLDcDoIHYHpSL4, 05-09-2019.

Table 5: Top ten games by number of streams comparison: Chinese streaming platforms VS Twitch – 2018

(Source: the streaming market in China report, Newzoo)

#	GAME	PLATFORM	PUBLISHER	NUMBER OF STREAMS*	
1	Honor of Kings	Mobile	Tencent	42.0M	
2	PUBG Mobile	Mobile	Tencent	20.7M	
3	PUBG	PC	Tencent	10.0M	
4	League of Legends	PC	Tencent	9.6M	
5	CrossFire Mobile	Mobile	Tencent	4.5M	
6	PUBG - Full Ahead	Mobile	Tencent	3.6M	
7	CrossFire	PC	Tencent	3.5M	
8	Knives Out	Mobile	NetEase	3.1M	
9	QQ Speed Mobile	Mobile	Tencent	2.9M	
10	Dungeon & Fighter	PC	Tencent	2.2M	

As pointed out, China has its own unique gaming streaming platforms, differing from the ones in vogue in the rest of the world. The two main competitors are Huya and Douyu. Huya, also known as “the Chinese Twitch”, holds the Chinese rights to the *World Electronic Sports Games* as well as to the South Korean *League of Legends*.

Douyu may lack broadcasting rights of great titles as the ones possessed by Huya, but its live streaming offering is more varied. The platform also signed important sponsorship agreements with entities directly involved in the e-sports market. Among these the Chinese *Dota2* team branded by French football club Paris Saint Germain: PSG.LGD.

The two main platforms reportedly exceeded the monthly 100 million users threshold in the beginning of 2019. Curiously, both Douyu and Huya have been subject of Tencent massive investments. In the beginning of March, 2018, the tech giant acquired 40,1% stakes in Douyu in exchange of \$630 million. The very same day it also directed \$462 million funds to become Huya second-largest shareholder, the first being Chinese e-games pioneer YY.

Other popular streaming content providers are Tencent e-game and NetEase CC, owned by the games distributors, ZhanQi and Panda TV. The latter is property of Wang Sicong, son of Dalian Wanda Group head and founder Wang Jianlin¹³⁹.

European Football Clubs Engaging with the Chinese E-sports World

The second largest market, the highest number of fans, huge growth potential backed by the leading authorities: the Chinese e-sports offer great business opportunities as a sector almost unexplored by European football clubs.

The attractiveness of the market further increases as the typical consumer belongs to millennials and the so-called “generation Z”, children and future members of the growing Chinese middle class endowed with strong financial power.

Contrary to what many might think, the ultimate goal of a successful strategy is not about the conversion of e-sports fans into football fans, rather than the exposure of the club’s brand to the young, digital audience forming the e-sports community. Even more interestingly, the approach to the Chinese e-sports fans does not necessarily have to occur through traditional sports simulators (*FIFA*, *PES*, *Football Manager*), which still enjoy much less popularity than the most famous *League of Legends*, *Fortnite*, *Dota2* etc.

Most of the modalities through which European clubs can engage with e-sports world are still unproven. However, deep analysis provide a fair range of hypothesis.

The first of them relates to sponsorship agreements. E-sports competitions in China are designed by companies like Tencent that place great importance on the business side of the events. Thus, clubs are sure to achieve high visibility. In addition, even if fans show preferences for endemic brands, traditional sports dynamics have many characteristics in common with the ones characterizing e-sports, as both the categories of fans’ emotions are triggered by factors typical of sporting competitions. On one side, the novelty of e-sports sponsorship exposes to the risks related to exploring untapped business fields. On the other, it requires football clubs to study new ways of leveraging the attention gained. However, the

¹³⁹ BRATHWAITE, Brandon, *Breaking Down the Major Streaming Platforms in E-sports*, August 31, 2018, <https://esportsobserver.com/breakdown-streaming-platforms/#targetText=Chinese%20Streaming%20Services&targetText=Huya%20and%20Douyu%20TV%20are,game%20streaming%20in%20the%20country.> 06-09-2019.

enormous size of the audience – 2018 top five major events range from 17,4 million to 74,3 million viewers¹⁴⁰ plus in-venue spectators – is a good reason to, at least, consider a try.

Licensing and crossover products are another valuable option. Similar deals may either generate income or help in increasing the club's brand awareness among e-sports fans. *League of Legends* branded credit cards, games-themed soft drinks bottles, even special editions of smart-phones have already been produced and sold well. As the degree of football clubs' commitment in the market increase, there may be great space for football and e-sports business intersections.

Other ways to attract e-sports fans directly refer to key opinion leaders and influencers, football club's players playing e-sports and inter-fans competitions.

As popular e-sports players have already become key opinion leaders or influencers, their streaming sessions on both dedicated platforms and social media are able to reach a considerable audience. Establishing a connection between the players and the club provides a certain degree of exposure. Such connection may be achieved by organizing mini-tournaments with selected gamers, club's representatives and fans, offering an engaging and authentic experience to participants and spectators.

Letting football stars playing e-sports falls within that kind of practices used by football clubs to empathize with foreign communities. When touring geographically and culturally distant countries, footballers are frequently asked to dress local traditional clothes, eat specialities of the area and join recreational activities. In the case of e-sports, taking the challenge of playing China's most popular games enables clubs to produce media content, to get closer to the supporters and expand the fan base. Giving fans the chance of facing their idols on a similar playground is another useful way for creating in them a sense of involvement and recognition. Obviously, taking advantage of local expert operators and well established networks is a guarantee for an higher visibility.

Inter-fans competitions can help in attracting new supporters and strengthening the bond between the club and the existing ones. For instance, arranging tournaments to elect the best *League of Legends* players among the club's supporters and rewarding the top competitors with merchandise and special treatments may well serve these purposes.

¹⁴⁰ ESCHARTS.COM, *Most popular tournaments of 2018*, December 25, 2018, <https://escharts.com/blog/top-tournaments-2018>, 08-09-2019.

Lastly, European football clubs may decide to establishing their own team or directly partnering with existing ones. While they have become widespread practices in western areas, Paris Saint German is the first one that has struck a deal with a Chinese counterpart: LGD Gaming.

Paris Saint Germain Chinese e-sports market penetration: the partnership with LGD Gaming

On April 19th, 2018, Paris Saint Germain Football Club signed a partnership deal with LGD Gaming, a successful Chinese e-sports team. Together with NewBee, Vici Gaming and Invictus Gaming, LGD is one of the best gaming club of the country as well as top ten of the world in terms of earnings.

The agreement has been announced in a press conference held in Shanghai attended by representatives of both the parties: PSG Managing Director of China Sebastien Wasels, Director of Merchandising and Diversification Fabien Allègre and e-sports CGO Yassine Jaada, complemented by LGD's CEO Jie Pan and Chief Strategy Officer Xuan Li.

While many clubs have already launched e-sports teams participating in MOBAs competitions in Europe, exceeding the limits of football as “core sport” – Schalke 04, Valencia, Lyon, Manchester City – it is the first time that a European club leaves its geographical area of competence to cross the Chinese boarders.

The partnership, originally limited to LGD *Dota2* team, has been lately expanded to *FIFA online* in October of the same year.

Strategically speaking, the partnership provide both sides with significant advantages: the French club benefits from LGD's influence in China, its management and operation, while the Chinese counterparts can leverage PSG brand and business value.

Concurrently, PSG has also struck a deal with Desports, a Chinese based marketing agency entrusted with managing the French Club licensing in the country¹⁴¹.

¹⁴¹ AUGUST, Rick, *Paris Saint Germain Turns To Video Games To Access The Chinese Market*, April 22, 2018. <https://www.forbes.com/sites/augustrick/2018/04/22/paris-saint-germain-turns-to-video-games-to-access-the-chinese-market/?fbclid=IwAR3XjVaxSnerSIIvtOdBp8Vmtpf60gfW1oRxm-DFuNv-IR58XifuvhrGCYY#5df4de33874b>, 09-09-2019.

For what concerns the actual financial benefits of the agreement, neither PSG nor LGD have disclosed official statements. However, it seems that the parties will equally share revenues deriving from competitions prizes and sponsorships achieved after the beginning of the partnership. In just half a year, PSG.LGD *Dota2* team has registered important results: two first placements in the *EPICENTER* and *Changsha* Majors and a second placement in the world's main *Dota2* tournament, *The International*, worth \$3-4 million alone. In addition, it has also signed sponsorship contracts with Monster Energy, Unilever group's Lynx, Chinese streaming platform Douyu and Betway. The latter will become jersey and jacket sponsor starting from the new season in exchange of the access to the players for the creation of media content and social media campaigns.

Figure 9: PSG.LGD jersey 2018 edition (Source: New Straits Times – nst.com.my)



2.4 SOCIAL MEDIA AND COMMUNICATION

Over the past few years, the advent of social networks has changed the way football clubs and athletes engage with their fans.

The growing relationship between football and the new media has led to a substantial need to go beyond traditional and institutional communication. The presence on the main social networks has therefore become essential for the clubs, especially when they are attempting to reach potential fans in new and increasingly strategic markets.

This is particularly true when referring to China, as the country is characterized by great geographical distances, huge business opportunities and deep love for media content.

China is not only home of 800 million internet users – one-fifth of the world's online population, around 57,7% of the PRC citizens – it is also the place where social media have become an integral part of the people's daily life to an extent hardly observable elsewhere. The huge expansion of its territories, then, gives birth to a continent sized market in which country-level dominant social networks coexist with smaller entities addressing selected demographics segments and geographical areas. While the former have consolidated their market position, the latter may rise and decline at paces much faster than what western observers are used to. Thus, alongside the target audience, the comprehension of the life-cycle and the popularity of a social platform at a given time assume great importance for the definition of related business strategies too.

The Chinese Social Media (and Media Platforms) Football Clubs Should Know in 2019

As you probably know, the Western giants – Facebook, Twitter, Instagram, YouTube etc. – are banned within the PRC territories. The Chinese social media ecosystem, thus, is made up of domestic players of different size and power. A brief overview of the most important and most interesting platforms is provided below, focusing on the characteristics that make each of them attractive for European clubs.

WeChat – 微信



Around 1.100 million monthly active users, a penetration rate exceeding 79% (of the total smartphone users): WeChat is the undisputed leader of the Chinese social media market. Developed by tech giant Tencent, the platform is much more than the instant messaging app it was in the early days. Its services cover almost the totality of the people's life aspects: social profile; e-commerce; games; financial management; direct payment systems; taxi, trains, flights, hotel reservations and so on.

Looking at the business side, WeChat allows private individuals and entities to set up different kinds of accounts (subscription, service or enterprise) according to the needs and nature of the subject. These are the fundamental means through which companies can communicate with their customers, carrying out promotional activities.

In addition, the app incorporates the so-called “mini-programs”. Mini-programs are small-size downloadable “sites” that run into the greater WeChat app. They provide companies with the chance of offering more interesting, in-depth information and content, designing exclusive navigation systems and selling products directly to the customers. The user, thus, enjoys a better experience while the relationship with the brand becomes more intimate. Mini-programs alone reached 200 million average daily active users in November 2018¹⁴².

WeChat definitely is a must-have for clubs attempting to engage with Chinese fans.

While many clubs have already established their public accounts, more have not built a mini-program yet, something which should be considered given the potentiality of the tool.

Sina Weibo – 新浪微博



With 462 million monthly active users (93% mobile)¹⁴³, Weibo is the Chinese platform that comes closest to the Western concept of social media. Its interface and the limit on characters in a single post have gained Weibo the name of Chinese Twitter, while many observers consider it more similar to Facebook. One or another, Weibo is already widely used by brands to conduct their marketing campaign and engage with Chinese fans.

¹⁴² MANSOOR, Iqbal, *WeChat Revenues and Usage Statistics*, February 27, 2019, <https://www.businessofapps.com/data/wechat-statistics/#2>, 14-09-2019.

¹⁴³ CIW Team, *Weibo monthly active users grew to 462 million in Dec 2018, 93% on mobile*, March 6, 2019. <https://www.chinainternetwatch.com/28566/weibo-fiscal-2018/>, 15-09-2019.

Weibo's popularity is extremely high among young white-collar workers belonging to the Chinese urban online population. It represents a virtual community in which people can look for information, share opinions and content and interact with each other.

Companies usually appreciate its ability to increase communication with fans and consumers as well as to understand the community's thoughts and current trends. Another strength is represented by the absence of a limit on posted contents, existing on WeChat, which makes the platform even more attractive in the eyes of key opinion leaders, influencers and media-oriented companies.

QQ - 腾讯 qq 网



QQ is one of the Chinese oldest instant messaging apps. Developed by Tencent as WeChat, it relies on around 800 million monthly active users¹⁴⁴. Unlike the majority of Chinese social networks, QQ does not require a phone number to create an account but provides the client with a unique ID linked to the account. The procedure belongs to the tradition of the early Chinese software of online communication.

QQ also enjoys great consideration among white-collar professionals, who frequently use the desktop version for business interactions. Interestingly, QQ is very popular among the third and fourth tier cities' young populations. Thus, the platform can be effectively exploited to reach diverse areas of the country which, however, possess lower spending power.

Youku – 优酷, Tencent Video – 腾讯视频 and iQiYi – 爱奇艺 : the Video Platforms.

YOUKU 优酷



Respectively owned by Alibaba, Tencent and Baidu, Youku, Tencent Video and iQiYi are the video streaming platforms covering almost the totality of the audience.

¹⁴⁴ CIW Team, *WeChat MAU up 7% to 1.13 billion in Q2 2019; QQ MAU 808 mn*, August 15, 2019, <https://www.chinainternetwatch.com/29611/tencent-social-apps-q2-2019/>, 15-09-2019.

Tencent Video reports better statistics in terms daily active users: 109.7 million against the 86.3 million of iQiYi and the 39.6 million of Youku¹⁴⁵.

All the platforms have already committed to providing high-quality sports media content inside their sports section: Youku broadcasts live Chinese University Football Association (CUFA), sponsored by Adidas and has already partnered with an English Club, Wolverhampton FC, to become its exclusive media partner; Tencent Video held the streaming rights of Ligue 1, Serie A and the Scottish Premier league back in season 2017/2018. In the same year, Tencent stroke a three-year long digital partnership with NFL securing a selection of games and media content. The biggest deal, however, refers to the exclusive coverage of the NBA within the PRC, which will guarantee Tencent and its platform huge following rates throughout 2025; iQiYi, on his turn, purchased the exclusive streaming rights of La Liga 2019/2020. A smart move, considering the popularity enjoyed by clubs as Barcelona, Real Madrid, Atletico Madrid and Wu Lei's Espanyol in China.

Youku and iQiYi are also competing in their core business – movies and TV series – to become the “Netflix of China”.

Douyin (TikTok) – 抖音



Douyin is a Chinese platform boomed during 2018. On Douyin, everything is about short-videos. Users can create, comment e interact with others' posted content.

It has recently become one of the Chinese most influential social media. It can count on 400 million monthly active users who spend 52 minutes a day on average on the platform¹⁴⁶. Interestingly, Douyin – through its international version TikTok – is the first Chinese social network able to fight its way to the west, attracting a large quantity of users from all over the world.

Many world famous football clubs have already set up their Douyin/TikTok account providing specific media content. Liverpool, Inter Milan, Real Madrid, Barcelona, Bayern Munich and Juventus among the others.

¹⁴⁵ CIW Team, *China online video market overview in Q2 2018; mobile MAU over 1 bn*, September 20, 2018. <https://www.chinainternetwatch.com/26688/online-videos-q2-2018/>, 15-09-2019.

¹⁴⁶ DEGENNARO, Tony, *10 Most Popular Social Media Sites in China (2019 Updated)*, January 21, 2019, <https://www.dragonsocial.net/blog/social-media-in-china/#kuaishou>, 15-09-2019.

Toutiao – 头条



Toutiao is a news and information social media that customize its articles, videos and other entertaining content offer according to the user research history, geographical location and interacting behaviour on the platform.

Of the 200 million monthly active users¹⁴⁷, 85% are young individuals aged 18-30 years old¹⁴⁸. More than a third are independent professionals, company owners or self-employed workers.

Thanks to its functional characteristics, Toutiao provide football clubs the opportunity of reaching a well-defined segment of the population as well as participating in the user personal experience shaped by his own inter-platform choices.

In addition to a few clubs, international bodies and national leagues such as FIFA, La Liga and Bundesliga have already began their promotional activities on this social network.

Kuaishou – 快手



Kuaishou bases its popularity on the creation, sharing and interaction with short-videos. It also include live streaming functions. Similar to Douyin, Kuaishou received a large investment from Tencent during March 2017.

Even if there are no publicly available data about the amount of monthly active users of the platform – less than its greater competitor for sure – the app can be useful to reach alternative areas of the country: Kuaishou is especially used outside China's first or second tier cities and its content varies according to the audience.

To date, the social media remains unexplored by European football clubs.

¹⁴⁷ SMITH, Craig, 23 Interesting Toutiao Facts and Statistics / By The Numbers, September 9, 2019, <https://expandedramblings.com/index.php/toutiao-facts-statistics/>, 15-09-2019.

¹⁴⁸ DEGENNARO, Tony, *Op. Cit.*

Momo – 陌陌 and Tantan – 探探 : the Chinese Dating Apps



Momo and Tantan are respectively the first and the second most popular dating apps in China. While the latter is closer to the concept of the world famous Tinder, the former, which can count 81.1 million monthly active users¹⁴⁹, is expanding its scope. In addition to the instant messaging function, the app offers games and live streaming sections. Recently, it has also committed to social campaigns with the aim of helping stray dogs and cats in the country.

SSC Napoli has already proved through its partnership with Tinder how dating apps can help in engaging with existing and potential fans. The Italian club had one of its star players, Arkadiusz Milik, joining the platform. The supporters lucky enough to come across the footballer on the social network could directly communicate with him and potentially win a live meeting after a match.

Meitu – 美图秀秀 , Xiao Hong Shu – 小红书 and Nice: Targeting Female Social Networks



Meitu, literally “beautiful pictures”, was one of the first Chinese apps that allowed users to upload photos and edit them according to their preferences. Nowadays, it is struggling to become a comprehensive social network, adding several functions to the original one. In mid 2018 Meitu could count on more than 455 million users, 81% females¹⁵⁰. With the platform popularity on the rise, appropriate media content and the use of influential opinion leaders and influencers could reach untouched segments of the population.

¹⁴⁹ SMITH, Craig, *30 Amazing Momo Statistics and Facts (2019)* / By The Numbers, August 30, 2019.

<https://expandedramblings.com/index.php/momo-statistics/>, 15-09-2019.

¹⁵⁰ DEGENNARO, Tony, *Op. Cit.*

Xiao Hong Shu combines the features of a traditional social network and an e-commerce platform. Shopping experiences and products descriptions, including photos and comments, are the main subject of debate among the users. Brands create their own pages, conduct promotional campaigns and engage with costumers. Once again, partnering with popular opinion leaders and influencers could be the best way to bring users closer to the club.

Nice is another social network based on the editing and sharing of photos. Tags, the app core feature, allow users to connect with people possessing common interests and similar lifestyles. The uploaded content can be directly posted on other major social with a simple click. At the moment, Nice has more than 30 million registered users, 83,4% of which females under the age of forty¹⁵¹.

Similar social media may be difficult to exploit as the typical user hardly possess a pre-existing passion for football. However, the popularity of the women national team in China, much more competitive than the male counterpart and the expected growth of women football at global level could represent valid reasons to venture into new fields.

Popular Football News Websites and Apps

Along with traditional social media, football news sources as websites and apps represent viable solutions to reach the fans and satisfy their crave for football content.

Together with TV dedicated programs, still able to attract an extended audience, online platforms are the most popular information channels: 42% of the Chinese football fans turns to websites when looking for news; 37% to WeChat stories and public account sections; 34% to apps and 21% to Weibo, with many users consulting more than one source at a time. It is important to highlight how a fair share of the users referring to social media look for both the clubs' official accounts and the so-called “self-media”: individuals or groups of individuals operating independently, able to gather varying amounts of followers together¹⁵².

For this reason, several federations and clubs have already began partnering with the most visited sites and downloaded apps, while others have directly opened official accounts on the platforms giving this opportunity.

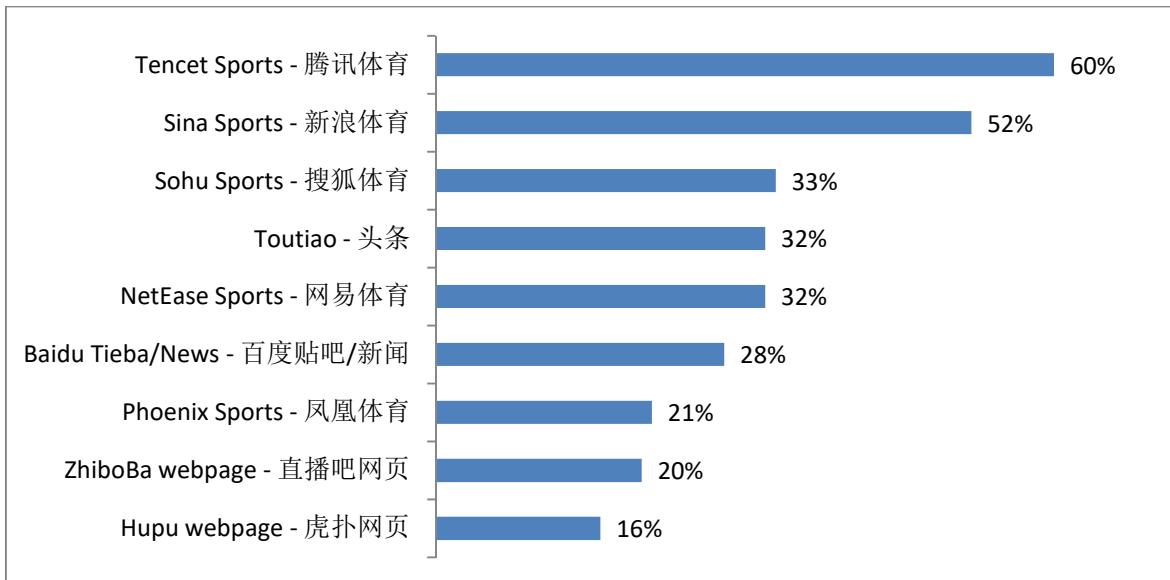
¹⁵¹ CHERNAVINA, Kate, Top 17 Chinese Social Media Sites (update of 2019), March 17, 2019.

<https://www.hicom-asia.com/chinese-kol-top-10-social-media-platforms-they-use/#Nice>, 16-09-2019.

¹⁵² SUN, Baojie 孙葆洁; LI, Jianqiao 李剑桥 and LIU, Zhu 刘柱 *Op. Cit.*

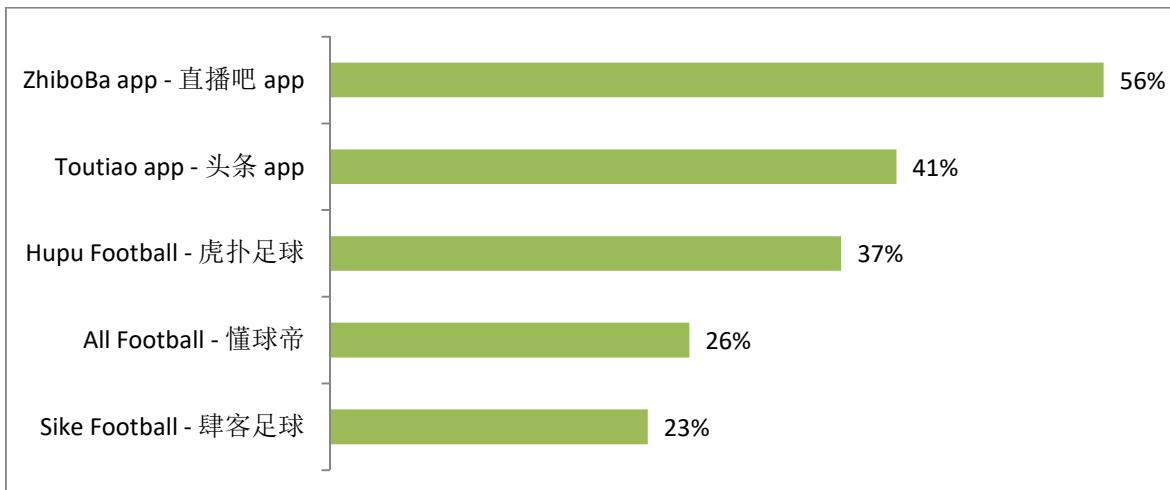
Nine websites and five mobile apps among them are considered to be the most popular among the fans.

Figure 9: Chinese fans' favourite football news sources – websites (source: 中国足球产业与文化发展报告)



Not each popular football news sources in the rankings, however, belongs to the category of exclusively football dedicated platforms. It is easily observable when looking at the Chinese fans' favourite websites table: seven out of nine pages – Tencent Sports, Sina Sports, Sohu Sports, NetEase sports, Phoenix Sports, ZhiboBa and Hupu – relate to sports in general while the other two deal with all kinds of information – Toutiao and Baidu. The scenario changes when turning to the apps classification: three of the five most common app offer football specific content – Hupu Football, All Football and Sike Football – while ZhiboBa and Toutiao address sports and multiple issues respectively.

Figure 10: Chinese fans' favourite football news sources – mobile apps (source: 中国足球产业与文化发展报告)



European Football Clubs and Chinese Social Media

The evaluation of European football clubs performances on social media platforms is based on two main voices: the number of followers collected over the different networks and the *engagement rate* registered by the content shared on them. While the first refers to a quantitative analysis, the second offers a qualitative perspective of the club's operations. Simply put, the engagement rate measures how much users interact with posted content in terms of likes, comments, shares etc. It defines the effectiveness of the media strategy carried out and the degree of success of each single piece published online.

The history of the European football clubs on Chinese social media began in 2010. Liverpool was the first one to open a Sina account back then, right in correspondence with one of its China tours. 2011 was the year of Real Madrid, Arsenal, Barcelona and Juventus. At that time Tencent and Sina had launched two different competing versions of Weibo¹⁵³ and WeChat was just six-months old. From 2012 onwards, the number of European clubs virtually entering the Chinese market started rising steadily. By 2014, major clubs had already set up official accounts on Weibo – Sina, Tencent or both – and fast-growing WeChat. Manchester City could count on around 9 million followers overall, much more than any other team. However, it scored extremely bad in terms of engagement rate, as its huge fan base did not reflect the users' activity on their accounts. On the contrary 2013 Champions League winners Bayern Munich registered just 2,1 million followers but a high engagement rates, with an average of 317 interactions per post¹⁵⁴.

The evolution of the Chinese social media ecosystem led to the present situation, in which Weibo is still the reference platform for the evaluation of the clubs online performances, sided by WeChat and new players as Douyin and Toutiao.

In 2018, the total number of European clubs followers on Weibo have reached 60 million (+17% compared to 2017), 90% of which are concentrated in the top 15 clubs' accounts.

Single players, on their turn, attract seven times more followers than the clubs, proving how influential star footballers can be in China. The 2018 World Cup contributed to a significant grow: 56 million supporters have begun following their new idols. Interestingly, 75% of the

¹⁵³ The Sina version eventually prevailed, conquering a large market share. Sina Weibo is the popular, well-established social media Chinese users know today.

¹⁵⁴ MAILMAN GROUP, *RedCard 2014 – The China Digital Champions League*, 2014, <https://www.mailmangroup.com/redcards>, 22-09-2019.

total engagement refers to the three most popular players: Cristiano Ronaldo, Lionel Messi and Neymar. The Portuguese ace dominates the Chinese social scene: thanks to original China content, he is the only one able to reach a stunning two million annual engagement on Weibo. His transfer to Juventus made the fortune of the Italian Serie A side as it gained 126.000 followers on the very short term, while its Ronaldo-related posts registered an engagement rate 3 times higher than the average ones.

The best five performing clubs, considering both followers and engagement scores, are Real Madrid, Bayern Munich, Manchester United, Juventus and Barcelona.

Premier League tops the leagues ranking thanks to its presence on all the four most visited social networks – Weibo, WeChat, Douyin and Toutiao – and the launch of its official Chinese app. Bundesliga, La Liga and Ligue 1 come after, with Italian Serie A hardly traceable inside the Chinese social media landscape.

Determined each category winners, it is now time to analyze single social media operations that won clubs and players significant volumes of followers and interactions, regardless of their global-power or local-team status.

During summer 2017, Borussia Dortmund broadcasted a live streaming video series that totalled 12 million views on Chinese platforms¹⁵⁵. The success of the campaign was due to different factors. The eight episodes were specifically thought and designed for the Chinese audience. Players were filmed during their training sessions or at the home stadium and, more importantly, the videos covered the football season's key moments, intended as both domestic competitions and the China summer tour of that same year. In this way, Chinese fans could breathe the atmosphere of the German Cup final as well as watching their favourite stars playing in familiar places. The result was a winning approach for both the fans to the club's reality and the club to the fans' world. The German team showed again its positive attitude towards the Chinese market in 2018, when it set up a Weibo account for the club's mascot. It resulted in the creation of a new figure equally able to target different segments of the population and to establish a more intimate and informal relationship with the fans.

An even more special story comes from Deportivo Alavés. The Spanish side, just promoted to La Liga from the second division back then, released a live streaming on the occasion of its home match against world-famous Barcelona. The Chinese speaker in the video reported to

¹⁵⁵ MAILMAN GROUP, *RedCard 2018 – China Digital Football Awards*, 2018,
<https://www.mailmangroup.com/redcards>, 22-09-2019.

Weibo users about the match-day feelings. The content included also a tours of the Alavés stadium. Even if local fans could not be happy with the field result, a heavy 0-6 defeat, Chinese football lovers appreciated the initiative to the extent that the video was watched by over 1,5 million people. An outstanding result, considering that the club's Weibo page could only count on 10.000 followers at the time¹⁵⁶.

Juventus is one of the world's football giants that has been able to intercept Chinese fans desires in recent years. The arrival of Cristiano Ronaldo in Turin obviously facilitated its social media management and produced unprecedented results. However, the club stood out for its own creativity and its own innovative spirit. In 2017 Juventus launched the Chinese version of its official VR app. It allowed millions of Chinese fans possessing VR equipment to enter *The Old Lady's* facilities and events comfortably sitting on their sofas. In 2018, then, the *Bianconeri* were the first club to launch an official Douyin account with a positive outcome. The timing contributed to the success of the venture: those were the days of the Champions League quarter-finals against Real Madrid. Juventus social media personnel posted a fifteen seconds video on the platform on a daily basis. The content covered the best moments of the rivalry between the two teams throughout the history of European football as well as cultural-recreational aspects, like Juventus mascot enjoying Chinese pop music. 2 million users watched the videos¹⁵⁷.

Other successful digital ventures have been carried out by Southampton FC, PSG, Arsenal and Manchester City. Each of them have been able to catch the attention of the Chinese fans through different modalities.

Southampton organized a three-continents long train trip from Beijing to the English city and provided social media users with the footages of the journey. Two coaches belonging to the club were complemented by two Chinese celebrities as the travel ended with a live streaming from a match-day at Southampton's home stadium.

PSG recorded its players approaching to the Chinese millenary culture throughout its Asia tour, while leveraging its women's team Chinese superstar Wang Shuang to create original country-specific content. The Ligue 1 current Champions released a three episodes series about the Wuhan native daily life in Paris, filming the player in locations as training grounds,

¹⁵⁶ Ibid.

¹⁵⁷ MAILMAN GROUP, *RedCard 2019 – China Digital Football Award*, 2019, <https://www.mailmangroup.com/redcards>, 22-09-2019.

the stadium and the city's most famous spots. Broadcasted on different platforms including Weibo, WeChat and Douyin, the documentary registered more than 8 million views¹⁵⁸.

During their way across Asia, the French club also teamed up with Singaporean fashion designer Mark Ong and street artist Ceno2 to produce branded limited edition merchandise and street art pieces respectively¹⁵⁹. The post announcing the partnership with the local stylist registered 93.000 interactions.

Arsenal did its best to involve its Chinese fans on the occasion of Arsène Wenger departure, the club's historical manager. The video campaign, marked by the hashtag #谢谢你阿尔塞纳 (#MerciArsène) entailed miscellaneous content distributed over different platforms. The success of the initiative, measurable in 16 million views¹⁶⁰, was guaranteed by the customization of the content offered to various areas of the country as well as by a strong emphasis on the fans' active online participation.

Manchester City seized the opportunity of greetings Chinese fans by live streaming on social media a Chinese New Year dance celebration during the interval of the Premier League match that opposed *the Citizens* to Tottenham Hotspurs. Complemented by on site activities in Manchester, Melbourne and New York – the others communities hosting City Group's owned teams – the video collected 5.5 million views¹⁶¹.

This are just a few examples of how informed social media management – based on the knowledge and understanding of the Chinese society in all its aspects – may lead to high degree of exposure and successful engagement with local football fans.

On the basis of the analysis of the best practices carried out by European football clubs, it is possible to identify four elements that should not be missing from a Chinese social media comprehensive management strategy: authenticity of the images and of the experiences provided to the fans; focus on the club's star players; clear bilingual communication and the intersection of football specific and local culture related content.

¹⁵⁸ LIU, *Chinese footballer Wang Shuang's PSG documentary series gets big hit on social platform*, May 13, 2019. http://www.xinhuanet.com/english/2019-05/13/c_138055513.htm, 18-09-2019.

¹⁵⁹ LONG, Kelvin, *Paris Saint-Germain takes on Asia with Singapore office launch*, July 28, 2018.

<https://www.foxsportsasia.com/football/ligue-1/920250/paris-saint-germain-takes-on-asia-with-singapore-office-launch/>, 17-09-2019.

¹⁶⁰ MAILMAN GROUP, *RedCard 2019 – China Digital Football Award*, 2019.

¹⁶¹ Ibid.

2.5 CHINESE FOOTBALL PLAYERS IN EUROPEAN CLUBS: A GOOD CHANCE TO DRAW THE CHINESE FANS' ATTENTION

When Cantonese midfielder Xie Yuxin left the country to join Dutch side PEC 82 (today's PEC Zwolle) in 1987, football in China had not yet undertaken the process of professionalization and commercialization that brought to birth the Division One A League, the Chinese Super League predecessor. He was the first Chinese national player to exceed the boundaries of the PRC to seek fortune abroad.

Even if his experience did not turn out to be successful as he expected, registering only six appearances in six months in The Netherlands, Xie Yuxin paved the way to foreign countries for his fellow countrymen, who began heading west (and east) consistently¹⁶².

Throughout the nineties, Chinese players ventured abroad and were signed mainly for reasons related to their sporting abilities. The situation changed starting from the 2000s. The renewed interests of European clubs in the Chinese market, the emergence of a golden generation of Chinese talents and the 2002 World Cup enthusiasm permeating the country all contributed to a new wave of Chinese emigrants able, in some cases, to become part of teams belonging to the highest tradition of global football.

In order to understand both the strategic choices underpinning similar transfers and their implications in terms of fans engagement and business results, the paragraph proposes a brief overview of the European experiences of four Chinese players: Sun Jihai, Li Tie, women football star Wang Shuang, and Wu Lei.

Sun Jihai and Li Tie: Two Chinese Stories in the English Premier League

Sun Jihai signed for Manchester City in February 2002. He already had a one-year experience in the UK in 1998, when he joined Crystal Palace together with Fan Zhiyi. They were the first Chinese players to ever play in an English league. *The Citizens* brought him back from Dalian Shide for a reported fee of £2 million¹⁶³.

Sun was a solid player who not only acquired the status of Chinese football legend at the end of his career, but was also able to secure himself a stable place as first team starter throughout

¹⁶² BAGOZZI, Marco and BISCEGLIA, Andrea, *Op. Cit.*

¹⁶³ THE PEOPLE'S DAILY, *Sun Jihai Transferred to Manchester City*, February 27, 2002.
http://en.people.cn/200202/26/eng20020226_91022.shtml, 18-09-2019.

its experience at Manchester, collecting 130 appearances in six years (2002-2007). He eventually rejoined the team in 2015 as ambassador.

Li Tie, on the contrary, arrived at Everton within the context of a complex sponsorship operation. In 2002, the Liverpool based team stroke a two-years deal worth £3 million with China's former mobile-phone leading company Kejian¹⁶⁴. The contract required the English side to take a Chinese player on a one-year loan. The choice fell on Li Tie after that the club's manager, David Moyes, attended the World Cup to watch the Chinese national selection. At the end of the transfer window the Chinese players arrived at Everton would be two: Li Weifeng joined the *Merseysiders* when Li Tie's arrival was called into question by issues linked to his release from Chinese club Liaoning Bodao. Issues resolved, it was too late to give up Weifeng anyway.

During Li Tie's early days at Everton, the Chinese community of Liverpool rushed at the club's shop to take every kind of merchandising available home. Open training sessions, press conferences, games, the whole life at the club was constantly followed by Chinese journalists, photographers and film crews. The media content sent back to China attracted between seventy and eighty million viewers¹⁶⁵. Everton Chinese website collected three million visits during his first six months of life. The club almost reached the popularity rates of global forces as Manchester United and Arsenal.

During the year following their arrival, Sun Jihai and Li Tie, who had less continuity in terms of field performances, became the protagonists of three of the four matches lately renamed "Manchester City Chinese Derbies".

The first one opposed Manchester City to Everton on August 31st, 2002. Sun Jihai and Li Tie were both included in the starting eleven of their respective teams. Unfortunately, the latter was forced to leave the field after 25 minutes due to an injury. The Premier League set the game for 11.30 – 18.30 Beijing time – in order to attract as many viewers as possible. Despite some organizational problems occurred to CCTV, which prevented the Chinese fans to watch the first thirty minutes of the game, 200 million in South-East Asia watched the live match¹⁶⁶.

¹⁶⁴ ATKIN, Ronald, *Everton fall for the great call of China*, September 22, 2002.

<https://www.independent.co.uk/sport/football/premier-league/everton-fall-for-the-great-call-of-china-177730.html>, 18-09-2019.

¹⁶⁵ Ibid.

¹⁶⁶ ZHOU, Shanshan, *English Football Clubs' Entry Modes to China and Opportunities for Italian Football Clubs* – Master dissertation, University of Trento, 2013,

https://www.researchgate.net/publication/315336812_English_Football_Clubs'_Entry_Modes_to_China_and_Opportunities_for_Italian_Football_Clubs, 22-09-2019.

The second derby, staged on January 1st, 2003 at Goodison Park, Everton home stadium, attracted 365 million TV viewers¹⁶⁷. Sun Jihai and Li Tie played the whole match.

The two “stars” faced each other again during the third Premier League Chinese derby. This time, however, Chinese national-level TV stations failed to broadcast the match held on December 7th, 2003. Its impact on the Chinese market, thus, resulted much more limited than the one of the previous editions.

The last football game opposing two Chinese players in the Premier League occurred on April 6th, 2007. Manchester City’s Sun Jihai faced Charlton’s Zheng Zhi, the historical Chinese national team captain still active today. The match, broadcasted in China on a early Saturday morning, reached 100 million people only in the Asia-Pacific region¹⁶⁸.

Wang Shuang to PSG: “Lady Messi” Lands in Paris

Born in Wuhan, Hubei in 1995, Wang Shuang is China’s best woman football player from the times of Sun Wen. Counting on 100 national team appearances seasoned with 26 goals, Wang enjoys great popularity at both domestic and international level. 2018 was the year of her definitive consecration, as she joined Paris Saint-Germain women team and was awarded with the AFC Women’s Player of the Year.

Her experience in Paris eventually ended after a single year due to the adjustment problems the player was suffering in a place so far from home. Despite this, the Chinese ace was able to collect eight goals and seven assists in twenty-seven games during the season, becoming the first Chinese scorer in the history of UEFA Champions League.

Outside the football pitch, the transfer that brought “Lady Messi” to the French capital has proved to be a win-win operation for both PSG and Chinese football, put under the spotlight by the international specialized media.

The French club benefitted from the signing of the Chinese star in especially terms of popularity.

Wang Shuang participated in a three episodes series reporting her daily life in Paris, some of the city’s most famous locations, traditional dishes, the training ground and the stadium. All complemented by her personal insights. Released on PSG social media Chinese channels –

¹⁶⁷ GRATTON, Chris and KOKOLAKAKIS, Themis, “Sport in the global marketplace”, in TRENBERTH, Linda and HASSAN, David (edited by), *Managing Sport Business: An introduction*, New York, Routledge, 2012, pp.29.

¹⁶⁸ ZHOU, Shanshan, *Op. Cit.*

WeChat, Weibo, Douyin, Toutiao and Miaopai – the documentary attracted 8 million users, 2 million of which on Douyin and more than 100.000 interactions.

In just one year, PSG followers across the Chinese social media platform grew by 650.000¹⁶⁹.

Sebastien Wasels, PSG Managing Director for the Asia-Pacific region declared:

Wang Shuang is a great ambassador for the Club. She's an icon in her home country and that popularity has reflected a growing fan base and increased engagement across Asia. We're proud Wang Shuang is the first player from China to play for Paris Saint-Germain¹⁷⁰.

Wu Lei: the Face of the Chinese Football Dream

Chinese Super League all-time top scorer – 102 goals in 172 appearances – 2018 Chinese Super League champions with Shanghai SIPG and top scorer – 27 goals in 29 appearances – 27 years old: Wu Lei is Chinese football current best player and future prospect at the same time.

After having led his life-long club, Shanghai SIPG, to its first CSL title, Wu Lei seized the chance of finally playing in one of the five great European leagues. On Monday 28th, January, 2019, the Spanish side owned by Chinese entrepreneur Chen Yansheng RCD Espanyol formalized the signing of the striker, welcoming him to La Liga.

The transfer was considered a major event by the whole Chinese society. Wu Lei's arrival in Europe was frequently compared to Yao Ming's landing in the NBA in 2002, while the player became the clearest representation – or the only representation – of the success of the “Chinese football dream”.

During his first nine months in Barcelona, Wu Lei has collected 25 official appearances, 4 goals and 5 assists. Espanyol has reached the qualification to the 2019/2020 Europa League and the player has proved himself useful to the manager. However, the best results have been achieved outside the pitch.

The Catalan Club's Weibo account saw the amount of its followers growing by 64%. It gained almost 34,000 users in 48 hours. About 32,000 people interacted with the post regarding the

¹⁶⁹ PSG official website, *Wang Shuang's Paris Saint-Germain documentary series proves a big hit*, May 14, 2019, <https://en.psg.fr/teams/womens-team/content/wang-shuang-paris-saint-germain-documentary-series-proves-a-big-hit>, 19-09-2019.

¹⁷⁰ Ibid.

signing of the player on the same page. The videos showing various aspects of the transfer registered 1.8 million views. Despite the fact that it was broadcasted late on Tuesday evening – around midnight – the live streaming of the player's presentation press conference was watched by 2.5 million people.

Reported by All Football (懂球帝), the news engaged 20,000 users.

Even the western social media could boast impressive figures: 5,000 profiles began following the Instagram account of the Club during the day after the transfer. The post reporting the conclusion of the agreement became the most popular of the whole season, registering more than 14,000 interactions¹⁷¹.

Besides popularity, Wu Lei's arrival won Espanyol relevant sources of commercial revenues.

The club sold 5,000 jerseys in less than six months. The shirts named after Borja Iglesias and Marc Roca, the team's most popular players, were not able to reach the same amount combined.

Each piece was on sale at Rmb 399 (PRC) and €84,95 (European territories).

Espanyol also launched a limited edition jersey featuring the Chinese names of the players on the back. Three-hundred items totally, a hundred per player, divided into Wu Lei and the above-mentioned Iglesias and Roca¹⁷².

Thanks to the Chinese striker, La Liga and Espanyol have now access to powerful channels to reach the Chinese fans: more than 4.5 million people were in front of the screens when Wu Lei made his championship debut during the game against Villareal CF.

Wu Lei's first home match opposing Espanyol to Rayo Vallecano attracted 22104 spectators, becoming one of the top five most attended home games in the history of the club¹⁷³.

¹⁷¹ PASSAROTTI, Luca, *Wu Lei e il fattore engagement*, February 5, 2019. <http://www.calcio8cina.it/china-files-wu-lei-e-il-fattore-engagement/>, 19-09-2019.

¹⁷² HUANG, Andrea, *Wu Lei shirt becomes the No.1 best seller at RCD Espanyol*, February 14, 2019. <http://mobile.ytsports.cn/news-4894.html>, 19-09-2019.

¹⁷³ Ibid.

2.6 CHINESE CLUB OWNERSHIP

Throughout the history of football, only two foreign clubs have dared to invest in the acquisition of majority shares in Chinese counterparts: Sheffield United and Manchester City. Time, aim and result of the two ventures are all very different.

The case of Sheffield United especially offers insights about how a similar bold investment could impact on the club's operations, while Manchester City's move embrace aspects that go far beyond the football pitch.

Chengdu Blades: Rise and Decline of an Ambitious Experiment

Since the early 2000s, Sheffield United has always demonstrated a special concern for China. Unable to attack the market through the traditional entry modes adopted by major clubs benefitting from high popularity rates, the English club chose a truly differing approach.

Firstly, Sheffield United signed the Chinese national team all-time top scorer, Hao Haidong, in the beginning of 2005. Hao was already 35 years-old at the time. While he collected a single appearance on the field, he was entrusted with a job in the club's academy.

The arrival of Hao in South Yorkshire, however, preceded the launch of a greater project: before the end of 2005, precisely on December, 11th, Sheffield United president Kevin McCabe officially took over Chinese football club Chengdu Tiancheng. The Sichuan-based side, previously established in 1996, changed its logo and jersey in order to replicate the original ones. Its new name "Chengdu Blades" recalled Sheffield United's nickname, that is "The Blades", deriving from the popularity of the cutlery produced in the city.

Figure 11: Chengdu Blades FC and Sheffield United FC logo comparison



Ambitious goals were underpinning the investment.

the management was convinced that the Chinese community of Sheffield, constantly fuelled by new students willing to attend the local university, would draw closer to the club. This became even more clear when Chengdu Blades were invited to visit both the Athenaeum and the city.

New Chinese supporters could obviously expand the club's business both at home and in China. When Chengdu Blades toured Sheffield, jerseys and merchandise flew off the shelves.

The Asian market was to be aggressively targeted when Sheffield United would finally come back to the Premier League. Something that happened at the end of the 2005/2006 season, when the team ranked first in the Football League Championship and won the promotion. Meanwhile, the club's scouts had to look for Chinese football talents to bring to the UK. They should be forged by the academy and eventually become part of the first-team. Fifteen youngsters reportedly made it to England or to the Chinese Super League. Sheffield United's directors probably knew how much it could be worth in terms of exposure and potential revenues.

Chengdu Blades, on its turn, was filled with both Chinese football stars and international players the likes of Li Tie and Sun Jihai. Everything seemed to be on the right track when the Chinese team gained access to Chinese Super League at the end of season 2007. The team was then able to achieve excellent placements during the two following years.

The situation worsened irreversibly in 2009. Chengdu Blades were caught in the midst of the Chinese football cleaning process. When the club's Chinese president Xu Hongtao was found guilty of match-fixing for games related to season 2001, the Chinese Blades were relegated to the second division. Simultaneously, Sheffield United's managers stationed in China began lamenting organizational problems and inefficiency in transmitting their knowledge to the Chinese counterparts. The issues affecting the Chinese football movement heavily reflected on the English club operations within the PRC. Meanwhile, Sheffield United bad performances had led to the team's relegation by June 2007.

On December 10th, 2010, Kevin McCabe sold his majority shares, putting an end to an ambitious, unprecedented experiment.

A year after the conclusion of the Chinese experience, Sheffield United terminated its other international investment, relinquishing the ownership of Hungarian side Ferencváros TC. The club brought to a close a period of incredible activity on the global market. During those years,

strategic partnerships involved also Australian team Central Coast Mariners FC and the Brazilians of São Paulo FC.

City Group and Sichuan Jiuniu: a Deal Beyond Football

On February 20th, 2019, City Football Group (CFG) added Chinese team Sichuan Jiuniu to its already astonishing portfolio of football clubs, which up to date includes: full ownership of Manchester City FC, New York City FC and Melbourne City FC and minority shares in Yokohama F. Marinos (Japan), Club Atlético Torque (Uruguay) and Girona FC (Spain).

The acquisition of Sichuan Jiuniu, currently playing in China's third tier series China League Two, has been finalized in partnership with UBTECH Robotics and China Media Capital (CMC), a Shanghai-based enterprise that owns 13% of City Football Group.

In addition to further expanding City Group's global reach, what makes the acquisition special is the nature of UBTECH, the third actor involved in the operation: UBTECH Robotics is an Artificial Intelligence (AI) specialized company valued more than \$5 billion backed by Chinese tech giant Tencent.

The acquisition finalised by City group, CMC and UBTECH, thus, should be seen in a context in which played football represents just a marginal aspect. Chengdu, in fact, can be considered one of the most important business hubs of Western China, where the hi-tech industry is leading the way to economic growth. UBTECH itself is reportedly thinking of opening a subsidiary there.

In addition to this, the indirect connection between the Chinese government – via Tencent – and Abu Dhabi's royal family – via Abu Dhabi United Group, majority shareholder of City Group – opens an interesting scenario for the future of the partnership: Sichuan Jiuniu, the second Chinese football club owned by a foreign entity in history, will probably become an atypical testing ground for the research, development and application of Artificial Intelligence in the sports field.

CONCLUSIONS

Due to the huge size of its market, the great financial power of its growing middle-class and the football-friendly policies issued by the government, China has today become one of the main target markets for foreign football clubs.

As previously stated, however, European clubs willing to operate in the country have to face significant challenges deriving from the novelty of its environment and from the various sources of complexity characterizing it. In this scenario, the comprehension of Chinese football cultural, social, political, economic and historical aspects becomes essential. Indeed, this is the main factor determining the success or failure of the market strategies implemented by European clubs up to date.

In this thesis, thus, the emphasis is placed on the overview of the Chinese football business environment as well as on the study of the most relevant operations conducted by European football clubs in China.

The first layer of analysis has produced several results, those considered to be highly significant are discussed below.

The Chinese fans' attitude towards football in general changes and takes on different forms and demonstrations according to the situation of the national league and the quality of the national team performances. This occurs in a very different way from what European observers are used to, as Football as a whole becomes subject of profound debate.

As it happens in many other sectors in China, politics is extremely relevant. The comprehension of the political position in respect of football is functional to the definition of the business strategies for foreign clubs. The contextual analysis of the reforms of the football systems implemented by the leadership allows to understand the current inclination and forecast possible future evolutions. In addition, the fans' attitude towards the game and the consequent political reaction must be seen as strictly interconnected.

The reason leading to the new centrality of football in the political agenda – demonstrated by the launch of President Xi's "Chinese Football Dream" – refers to its ability to address major economic, social and political issues. Direct and indirect GDP growth, fight against obesity, patriotism and soft power enhancement are just some of the arguments in favor of the

people's game development in the PRC. Understanding the Chinese leadership goals allows foreign clubs to adapt to politically driven market needs.

The analysis of Chinese football consumers shows that the formation of a football culture in China is still underway. This results in a general lack of knowledge of the game and its technical aspects. Instead, the majority of the fans are attracted by the drama experienced during football matches.

The reasons behind Chinese fans' interest in one club, then, are truly different from the ones moving "traditional" western supporters. the Asian counterparts are more prone to follow star players rather than developing an affection to a single European team. Demography is also relevant in the definition of preference patterns as specific age groups correspond to specific supporting choices. Geographically speaking, urban areas are the home of Chinese football lovers, who spread over the different income banks in an almost homogeneous way.

Similarly, the study of European clubs' operations in China has produced specific conclusions for each category analyzed.

For what concerns grassroots football and training academies, China is still facing a substantial need for foreign experts. The ambitious goals set by the leadership; some intrinsic characteristics of the Chinese society; youth teams requirements for CSL and Jia League clubs; the lack of skilled personnel and the quality issues affecting the domestic training system have been identified as the major causes requiring an import of know-how.

Over the past few years, European clubs have mainly set up cooperation agreements with Chinese counterparts. They have proved profitable but unable to build a real legacy with the local communities. For this reason, richer clubs are now establishing institutes embracing all the aspects of their students' lives, education primarily. In some cases, such facilities are complemented by business and entertainment areas.

Summer tours and promotional friendlies in China serve important purposes: they provide clubs with the chance of both cashing substantial commercial revenues and promoting their brand while coming in contact with local entrepreneurs. In addition, they are one of the key elements useful in shaping the relationship between the club, local fan base, and new potential supporters.

The concept of promotional tour has significantly changed. Today, the exhibitions once devoted to the entertainment of the audience have been replaced by matches replicating the atmosphere of European football, many times opposing teams animated by a genuine rivalry.

In this way, fans are not only attracted by the quality of the games, but they also feel to be an integral part of a specific club's community of supporters. When planning promotional tours, clubs should also pay great attention to side events, as they are crucial to the success of the campaigns.

E-sports is the most innovative entry mode investigated by this research.

The e-sports industry is experiencing a stunning growth both globally and in China. Simultaneously, it still possesses great potential. In the PRC – the world's second-biggest e-sports market, home of the highest number of gamers – the e-sports sector is dominated by local players at any level.

The development of e-sports in the country has been favoured by the undisputed support of the government, who is also committing to create special dedicated zones.

E-sports represents a huge opportunity because of three major reasons: its wide audience mainly consists of generation Z individuals belonging to the current and future Chinese middle class; e-sports fans and football fans are triggered by similar emotional factors; to date, very few clubs have made attempts to penetrate the e-sports market.

Nowadays, well-designed online communication strategies are extremely effective in engaging with the fans. This is even truer in China, as its developed digital framework efficiently serves a population constantly craving for social media content.

The analysis of several social media operations conducted by European clubs have identified four fundamental elements a successful campaign should not be missing: authenticity and novelty of the images and experiences provided to the fans; mix of football dedicated and cultural content; clear bilingual communication and focus on the club's star player.

Unlike Europe, China's social media rapid-changing landscape is made up of both well-established giants and smaller dynamic actors. Moreover, specific platforms may be useful in reaching diverse areas of the country as well as distinct demographics.

The signing of Chinese football players produces incredible results in terms of revenues generation, enlargement of the fan base and exposure to the Chinese market. Thus, the implementation of comprehensive business strategies focused on the players' figures has a significant impact on the clubs' operations. Different examples demonstrated the potential of this atypical market entry mode throughout the 2000s, regardless of the championship of destination (English Premier League, Spanish La Liga, French Women's Ligue 1).

The ownership of a Chinese club represents the last research area of this thesis. The study reveals that European clubs have purchased majority shares in a Chinese club only twice in history.

In one case the venture ended up in failure when the structural issues affecting the Chinese football system irremediably undermined the local clubs' operations. Indeed, the complex relationship with the Chinese context proved to be the major obstacle to the success of the initiative. The initial investment was justified by its huge potential return: brand exposure and the exploitation of both the local market and the club's youth academy could eventually lead to substantial benefits.

The acquisition conducted by City Group instead has little to do with football intended as a sporting practice. In this instance, the Chinese football club becomes a tool for the realization of a broader project: the application of Artificial Intelligence in the sports field.

The thesis is considered to be a point of departure for a more in-depth analysis of both the Chinese football system and the strategies implemented by foreign football clubs in China. Indeed, even if restrained time and competences have limited the scope of the research and its meticulousness, it still provides solid foundations for the further development of the topics covered.

The natural continuation of this study necessarily relates to the definition of innovative ways to deal with the football business in China and the improvement of the existing ones.

More ambitious goals are represented by the drafting of a comprehensive strategy involving different approaches simultaneously or the customization of the clubs' operations according to specific segments of the population and geographical areas.

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